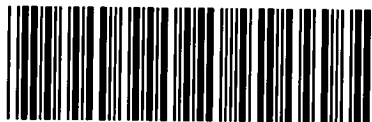


Horizons Specialist Academy Trust
Company Limited by Guarantee
Financial Statements
31 August 2017

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Horizons Specialist Academy Trust

Financial Statements

Year Ended 31st August 2017

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Horizons Specialist Academy Trust Company Limited by Guarantee

Reference and Administrative Details

Year Ended 31st August 2017

Members

M Clinton
Dame D Smith
Prof. I Cunningham
M Jones

Trustees

E Horne CBE
S Davison (resigned 11 July 2017)
C Whittaker (Chair to 7 July 2017, Vice Chair from 7 July 2017)
L Laidler
Dr B Sinha
J Bromiley
H Dyson
M Jones (Vice Chair to 7 July 2017, Chair from 7 July 2017)
S Richardson

Company Secretary

A Ascough

Senior Management Team

E Horne CBE – Chief Executive
P Ewart – Principal
R Whelan – Principal
K Thompson – Principal
M Lyons – Principal

Horizons Specialist Academy Trust Company Limited by Guarantee

Reference and Administrative Details *(continued)*

Year Ended 31st August 2017

Company Name Horizons Specialist Academy Trust

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

Company Registration Number 08608287

Independent Auditor Tait Walker LLP
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

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

Solicitors Womble Bond Dickinson LLP
One Trinity
Newcastle upon Tyne
NE1 2HF

Legal Services
Stockton Borough Council
Municipal Buildings
Church Road
Stockton-On-Tees
TS18 1LD

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report Year Ended 31st August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

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

- Abbey Hill Academy & Sixth Form – Ketton Road, Stockton on Tees, TS19 8BU
- Westlands Academy – Eltham Crescent, Thornaby, Stockton on Tees, TS17 9RA
- Green Gates Academy - Melton Road, Stockton on Tees, TS19 0JD
- Hollis Academy – Saltersgill Avenue, Middlesbrough, TS4 3JS (1 October 2016)

On 1 October 2016, the Trust welcomed Hollis Academy (formerly Prince Bishop School) as a sponsored academy from Middlesbrough Borough Council.

Structure, Governance and Management

Constitution

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

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership of the Board of Trustees is in accordance with the structure contained within it, i.e. the Chief Executive, up to six Member appointed Trustees, a minimum of two parent

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Trustees and the discretion to appoint Co-opted Trustees. The number of Trustees is not subject to any maximum and the appointments made are in line with the guidance in the Articles of Association.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at one of the Academies at the time they were elected or when the Trust was established. However, if not practical to do so, a person can be appointed who is the parent of a child of school age.

The Chief Executive of the Trust shall be a Trustee for as long as she remains in that position.

The Trustees may appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Trust as a co-opted Trustee if thereby the number of Trustees who are employees would exceed one third of the total number of Trustees. A Co-opted Trustee was appointed on 18 July 2016 and resigned this post on 7 December 2016 in order to move to a Member appointed Trustee vacancy with effect from 8 December 2016.

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

As set out in the articles and funding agreement –

The Trust has the following Trustees:

Elizabeth Horne CBE

Sharon Davison (term of office ended 11 July 2017)

Colin Whittaker

Maurice Jones

Linda Laidler

Dr Baxi Sinha

Helen Dyson

James Bromiley

Sue Richardson

The following people served as Trustees for part of the year but were not Trustees at the year end:

Sharon Davison (appointed 12 July 2013, term of office ended 11 July 2017)

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

The appointment of new Trustees will involve analysis of the present Trustees' skills and identification of any gaps. Robust Trustee recruitment would then ensure prospective Trustees have the skills required. by the Board, this includes potential Trustees being interviewed by the Chair and Chief Executive, prior to any recommendation for appointment.

Policies and Procedures Adopted for the Induction and Training of Trustees

In line with the Trust's Induction Guidance, all new Trustees will be provided with induction, appropriate to their experience and expertise, by the Trust's Governance Operations Manager and members of the Trust's Executive Leadership Team. The Trust has also sourced an external provider to facilitate induction training and both external and internal opportunities are utilised to provide high quality training.

Training requirements are identified during the Board's annual self evaluation process and also to reflect changes to legislation. Bespoke training is also identified for newly appointed Trustees. During 2016/2017, Trustees' training focused both on external and internal factors. The Board undertook its annual review in September 2016, producing an action plan which was taken forward by the Board and subsequently evaluated with all outcomes being met. In December 2016 the Trust's Safeguarding Lead provided a comprehensive session focussing on the Trust's Child Protection Policy, receiving updates with regard to legislative changes in Keeping Children Safe in Education 2016. Trustees accessed in-house 'data training' which provided an insight into individual academy data acquisition and presentation following the introduction of the new curriculum, spanning primary and secondary special educational needs. Trustees successfully completed Safeguarding Training facilitated by Safeguarding First Ltd on 31 January 2017 and following this accessed the online PREVENT training.

Organisational Structure

The leadership and management structure of the Trust consists of the Board of Trustees, four Committees (Finance & General Purposes, Performance Management, Provision & Achievement, and Audit), the Local Advisory Group, the Executive Leadership Team and the Senior Leadership Teams of each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. In addition, there is a Joint Consultative Group, involving representatives from trade unions within the Trust, which meets on an at-least-termly basis with the Chief Executive, members of the Executive Leadership Team, the Head of HR and a member of the Board of Trustees. The Trust also has a fully established Safeguarding Forum that is attended by the Lead Safeguarding Director.

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

Powers are delegated from the Board via the Trust's Terms of Reference, which is reviewed on an annual basis.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

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

- Setting general policy;
- Adopting and monitoring the Trust's Strategic Improvement Plan and individual Academy Improvement Plans;
- Detailing and reviewing the curriculum;
- Identifying Key Performance Indicators and monitoring performance;
- Monitoring progress and performance against Key Performance Indicators;
- Monitoring the standards and performance of the Trust's academies;
- Budget approval and monitoring, and
- Making major decisions in relation to the Trust and Executive Leadership Team.

The Local Advisory Group undertakes a consultative role and advises the Chief Executive and the Board in respect of matters relating to the academies. In particular it:

- Advises on the development of contacts with the community and community use of the Trust's premises;
- Organises events to raise funds for the purpose of extending learning opportunities for pupils and students;
- Highlights any concerns relating to the Trust's pupils and students;
- Establishes curricular and good practice working groups to undertake task and finish projects; and
- Consults staff, parents and stakeholders on a range of issues including school term dates, length of the school day, holiday clubs.

Horizons Executive Leadership Team (HELT) consists of the Chief Executive, four Principals, Head of Finance & Operations, and Head of Strategy & SEN. In addition, other key personnel - including the Head of HR, Head of Care, IT Manager and Governance Operations Manager - advise the Executive Leadership Team. HELT leads and manages the Trust at an executive level, steering the direction of the Trust in line with strategic plans and developing opportunities.

The Senior Leadership Teams are responsible for the day-to-day operation of each individual academy in addition to supporting the wider work and objectives of the Trust.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

Related Parties and Other Connected Charities and Organisations

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

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Objectives and Activities

Objects and Aims

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

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

Our vision of 'Providing Infinite Opportunities' underpins our commitment to further developing and continuously improving services based on the assessed needs of our pupils and students. **The Safety and Wellbeing** of our pupils and students is non-negotiable. The Trust's strengthened approach to recognising and acting upon **Student Voice** with **Early Help** procedures ensures that our vulnerable children and young people are protected from harm and supported to succeed.

HSAT's purpose is to ensure that every child and young person receives a high quality education and achieves. Commitment to **Educational Excellence**, and improvement in provision across all its Academies, ensures that our pupils and students are successful, motivated learners. The Trust is outward-thinking: working with a range of others, both locally and further afield, to enhance school improvement and the overall quality of delivery of services to children and young people with special educational needs. We seek to offer advice and support to other local schools through our staff training programmes and reflective peer partnerships. Through our close working relationships with local schools, we support our pupils and students to form individual and educational links with other children and young people around them.

Established partnerships with post-16 and post-19 education and vocational learning providers ensure our students become confident in their interaction with others. Being confident in such interaction and participating with others in the local and wider community ensures our students are **Prepared for Adult Life** and the wider world. Our close partnership with parents and carers helps them realise the hopes and aspirations they have for their children and young people.

Objectives, Strategies and Activities

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

Our **Core Values** include:

- Considering and Valuing Individual Need – respecting Equality and Diversity;
- Maintaining High Expectations and Aspirations;
- Making Best Use of Technology to Improve Outcomes;
- Committing to Overcoming Barriers and Challenges for our Learning Communities and the Trust;
- Being Outward Thinking in Partnership Working; and
- Being Positively Responsive to Change.

These Core Values guide us and lead to the identification of our improvement priorities. They are the drivers for the Trust's activities and are described below.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

The Trust values the individual and strives to maximise the abilities of each child and young person to enhance their future opportunities. The Trust nurtures and develops each child to achieve and attain as best they can, and ensures our young people have sufficient pride in their achievements to become confident individuals. Clubs and out-of-school activities broaden experiences and provide opportunities for the development of talents that may evolve into life-long interests. The Trust values each person equally while supporting the needs of the total learning community.

The Trust has high expectations for all and has worked hard to improve the quality of teaching and expertise through extensive and accessible staff training. Staff development has been a priority across the Trust and staff are committed to sharing expertise at all levels between our Academies. Professional and effective staff provide learning environments underpinned by sound research and based on best, established practice. The Trust encourages the development of high levels of competence and has a particular focus on high quality leadership and management. The collaborative leadership structure across the Trust promotes consistently high standards and maximises staff opportunities to be successful, creative and enthusiastic.

The Trust invests in the best use of IT to develop the skills of staff to improve learning for our pupils and students and ensure best outcomes. The contribution of an experienced and effective Head of IT has had a positive impact on how the Trust's IT staff use their expertise to ensure the infrastructure is up-to-date and supports effective communication at all levels. The recruitment and deployment of specific specialists in the area of communication has been one means of supporting staff expertise. Staff are supported in the rollout of new approaches or new equipment. In addition, work undertaken to develop alternative communication systems has ensured all our pupils and students communicate with staff and peers in meaningful and effective ways. The development of a clearly articulated IT strategic plan for the Trust is a key factor in enabling an increase in the number of Academies within HSAT. The enhancement of IT infrastructure at Hollis Academy, which joined the Trust on 1st October 2016, is evidence of the effectiveness of our approach to IT investment.

The Trust is **outward-thinking** in its partnerships, since sharing good practice beyond the Trust academies generates new ideas. The Trust's professional credibility as an academy sponsor resulted in Hollis Academy joining HSAT as a sponsored academy on 1st October 2016. Having key professionals within the Trust who have a strong track record of supporting school improvement and quality assurance, including current practising Ofsted Inspectors, has resulted in the Trust being able to offer support and advice to other special schools. In addition, the Trust is a valued Strategic Partner of the Campus Stockton Teaching Alliance. Having reflective peer partners for the Chief Executive and Principals has been both challenging and supportive in validating the Trust's self-evaluation of standards and performance. The Executive Leadership and Board of Trustees have worked to develop a more reflective learning organisation. As a result, values are shared and adopted across the Trust, with committed and engaged staff translating them into practice.

The Trust is committed to overcoming barriers and challenges to learning and ensuring fair access to opportunities by providing an appropriate, relevant and challenging curriculum. The Trust continually responds to the changing needs of our pupils, students and their families through identifying a range of options, including personalised vocational opportunities and pathways, for those students whose needs would not be effectively met otherwise. The development of close partnership working with other schools and providers has expanded opportunities for students at all stages. Of particular note is the realising of an opportunity for students from a special school, viz. Abbey Hill Academy, to be co-located

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

with mainstream peers. The Abbey Hill Academy Satellite within a neighbouring mainstream Academy is now into its second year of operation with 12 students and is in a position to expand further if required to do so. Having a special Academy co-located with a mainstream Academy is a positive response to demands from parents and is evidence of the Trust's commitment to providing infinite opportunities. This increased partnership model is a feature of adhering to good practice detailed in "*Special Educational Needs & Disability Code of Practice: 0 – 25 Years*".

The Trust is responsive to change while maintaining high standards. It has invested in the provision of multi-professional services such as Educational Psychology, Occupational Therapy, and Speech and Language Therapy in order to ensure each pupil and student has support for their individual needs. The Trust is committed to providing what is detailed in individual learning, health and care plans. In addition, our commitment to - and prioritising of - Safeguarding is reflected in the work undertaken by a specific, appropriately qualified post-holder in this area. The benefits of this appointment to the Safeguarding of pupils and students and the exercise of good practice have already been demonstrated. The Safeguarding Lead has led a team of Parent Support Advisors and care staff to further develop the Trust's Early Help interventions for identified vulnerable children and young people. The high quality of the Trust's provisions, along with the positive response to demand for additional places within the Trust's Academies, has resulted in increased numbers across all academies. Our effective and efficient use of existing funding and our commitment to securing new sources of revenue has enabled us to plan for the much-needed improvement in the physical learning environment in one Academy.

These positive initiatives allow us 'to do more and to do it better'.

The Trust is committed to implementing equal opportunities for all prospective employees, which is evident throughout the recruitment process. As an employer, we strive to ensure the staffing reflects the diversity of our community, eliminating discrimination and harassment across our workforce. We ensure that all staff, including support and administrative staff, receive appropriate training and opportunities for professional development, both as individuals and as groups, or as teams - ensuring equal career development opportunities for all.

Each year, the Chief Executive holds Trust-wide staff meetings at the start of term outlining the strategic plan for the forthcoming year. At the end of term, a similar meeting takes place to celebrate successes and achievements and look at the next steps for the future.

Union representatives from all groups meet with the Chief Executive and Head of Human Resources termly to discuss any matters arising. A Local Advisory Group has operated for the last 4 years, with staff representation, and which regularly consult on Trust issues. On a more regular basis, staff briefings take place at least three times a week or in some academies, daily providing many opportunities for consultation.

Public Benefit

The Trustees have complied with their duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Strategic Report

Achievements and Performance

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

- Ofsted evaluated Abbey Hill in June 2015 as *Good* in all categories. Its Sixth Form was judged as *Outstanding*.
- Ofsted evaluated Westlands Academy in December 2016 as *Good* in all categories. This is the first Ofsted evaluation since the academy was established as a secondary-only provision in September 2014. The Trust is now able to highlight that the secondary academy for students with SEMH is at least a good provision.
- Westlands Residential Provision was evaluated in November 2016 as *Outstanding* in all aspects. This is the third consecutive Ofsted Inspection realising a grading of *Outstanding*.
- Ofsted evaluated Green Gates Primary Academy in June 2017 as overall *Requires Improvement*. This was the first Ofsted evaluation since the establishment of the primary academy in September 2014.

Ongoing judgements by the Trust's senior leaders show maintained high quality and, in some cases, improvement. The broader and more relevant curriculum and positive engagement by students as a result of very good teaching is having impact. The consequence is an upward trend in attainment and achievement across all sites. The areas for development, highlighted in the Green Gates Ofsted Inspection Report, are currently being addressed and improvements have already been identified. In addition, the Key Stage 2 SATs outcomes reported and validated in August 2017 indicate at least good outcomes for the total cohort of pupils involved.

The Trust's vision of *Providing Infinite Opportunities* and its aim *to do more and to do it better* is articulated through the websites and printed media, including the published Strategic Plan. The Trust-wide staffing structure and range of additional supports such as Finance, Human Resources, Premises, and IT ensure the benefits of economies of scale, allow dissemination of good practice across a wide group of staff, and optimise best value. Specialised professional input from Educational Psychology, Occupational Therapy, Speech and Language Therapy, the Parent Support Advisers, the Safeguarding Lead, the Professional Learning and Development Lead, the Data Outcomes Quality Assurance Lead and Advisory Principals result in better outcomes for pupils, students, staff and our parent/carers community.

The fourth year of the Trust's establishing has allowed these structures to be further consolidated and developed. The training and development programme for staff is recognised as robust, relevant and supportive to other schools. Training is delivered across the Trust and to other institutions. The Trust's expertise, and training and development contributed to three members of the Trust's staff being designated as Specialist Leaders of Education (SLEs), and two being appointed as Ofsted Inspectors. In addition, The Trust's involvement as a Strategic Partner within the Campus Stockton Teaching Alliance is highly-valued - with other schools having access to, and benefitting from, the quality of professional development which can be, and is, on offer within the Trust's Academies.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Management expertise and skills have supported successful capital bids to the Education and Skills Funding Agency (ESFA) that have resulted in substantial improvements to the classroom provision at Westlands Academy, additional tutorial spaces at Green Gates Academy as well as roof replacement and installation of a new boiler there, and improvement and extension to the dining facilities for students at Abbey Hill Academy as well as a much-needed replacement of a boiler to improve overall efficiency. Success in a fourth round of bids has resulted in the award of capital to replace the roof at Abbey Hill Academy and at the residential provision at Westlands Academy. The associated bureaucratic and time-consuming demands on the Chief Executive and Principals have been minimised to ensure they maintain their key focus on learning and teaching.

Horizons' Executive Leadership Team continues to ensure that the self-evaluation of each Academy is effectively scrutinised and validated through internal processes, and external and independent professional scrutiny. Monitoring of lesson observations, moderation of standards, and scrutiny of achievement and attainment are embedded within the Trust's cycle of Quality Assurance and associated reporting to Trustees. In addition, the support and challenge provided by the external School Development Partner - who has a recognised outstanding level of expertise in the area of Special Educational Needs and is formally designated as a National Leader of Education - gives the Trustees confidence in the validation of standards within the Trust's Academies.

Confirmation of the quality of the Trust's leadership and management and, in particular, its management of change and development is reflected in two awards gained: the *Investors In People Award* for the Trust and the *Leading Parent Partnership Award* for all four Academies. In addition, the Inspection Reports relating to the Ofsted Care Inspection of Westlands' Residential Provision in November 2016 and the Ofsted Education Inspection of Westlands Academy in December 2016 highlight the strengths in the effectiveness of Leadership and Management.

Abbey Hill Academy

Abbey Hill Academy converted to become an Academy School in August 2013. It was inspected by Ofsted in June 2015 and was graded as 'good' overall.

The Academy is part of the Horizons Specialist Academy Trust (HSAT). The academy works in partnership with Westlands Academy, Green Gates Academy and Hollis Academy and the Principals are supported by a Chief Executive.

All students have an educational health and care plan. The social and economic backgrounds are varied and range from areas of prosperity to those designated as wards with acute social deprivation. School deprivation indicator for Stockton on Tees is significantly below the average for England as indicated on the Health Profile of 2013.

The number recorded on roll (2016/2017) for Abbey Hill Academy secondary students aged 11-16 was 225. In addition, Post 16, sixth form students are based in the Sheraton Building, a separate building with separate Principal and team – a separate SEF highlights performance in the sixth form.

43.1% of students are entitled to free school meals and are performing at least as well as their peers.

6.2% of students are looked after Children and are performing at least as well as their peers.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Most students are of White British heritage. 8.8% of students are from minority ethnic background and none have a first language other than English. They are performing in line with their peers.

There are significantly more boys (62%) on roll than girls (38%). Data indicates that boys are performing at the same level as the girls.

Attendance is 90.2%, with 1.2% unauthorised absence. This sits between the national expected average for schools (94%) and the national expected average for Special Schools (90%). Figures are different in specific year groups and much of this can be tracked to children with life limiting conditions.

6 students had short term exclusions in 2011/2012, 11 in 2012/2013, and 7 in 2013/2014, 9 students in 2014-2015, 3 students in 2015-2016 and 4 students in 2016-2017.

Abbey Hill Academy currently has the Investors in People Award, Leading Parent Partnership Award and the Inclusion Quality Mark (Silver level). Abbey Hill Academy is also recognised as a Rights Respecting School by UNICEF.

The Trust continues to work with the Local Authority to take account of the 'Special Educational Needs and Disability, Code of Practice: 0-25', and the introduction of Education Health and Care Plans (EHCP).

Abbey Hill Academy is also part of The Campus Stockton Teaching Alliance and members of the Senior Leadership team represent the Academy on the following groups: Research & Development, Professional Development and Leadership & Succession planning. The Academy's Vice Principal for Achievement & Outcomes is also a Specialist Leader in Education (SLE).

In the Summer term of 2014, there was a significant change to the Senior Leadership Team at Abbey Hill Academy. The new Principal was praised as being "highly enthusiastic and focused" by Ofsted and with the new appointment for the Vice Principal for Achievement & Outcomes has ensured that the necessary changes were implemented in order to monitor effectively the quality of teaching, learning and assessment. This information is now used to good effect and there are no marked differences in rates of progress between disadvantaged students and their peers.

As reflected in the Academy's Ofsted report "The ambitious leadership of the Chief Executive, together with the effective support of the academy's principals, other leaders, and the Board of Directors, are successfully improving many aspects of the academy's work, including teaching and students' achievements".

In March 2016 and July 2017, 100% of staff said they felt proud to be a member of the Academy and they are committed to ensuring that the Academy continues on its journey to be outstanding.

95% of parents/carers confirmed that their child enjoys coming to school and that the school understands and responds appropriately to meet the needs of their child.

The Academy is currently a 'good' school that is effective in delivering outcomes that provide well for its students' needs. Students are well prepared for the next stage of their education. The Academy's School Improvement Advisor, rated the school as 'outstanding' overall in July 2017.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Staff are highly skilled in maintaining a positive atmosphere at all times. This is because they use skilled techniques to ensure students are calm and stress free. In March 2017, 100% of parents/carers said that there is a good standard of behaviour at the Academy.

Lessons were consistently of good quality with a proportion of them being outstanding (46%). Ofsted observed that work seen in students' assessment files demonstrated that the quality of teaching over time has been good, and as a result, students in Key stages 3 and 4 make good progress. 100% of students agree that teachers expect them to work hard and do their best.

At Abbey Hill Academy the school's curriculum is much broader than subjects on a timetable. The school curriculum comprises all learning and other experiences that the school plans for its students. Students have a range of needs that can change over time and in order to best support over 200 learners the curriculum is highly personalised and continuously reviewed and developed.

The aims of our curriculum are to provide a balanced and broad experience for students, which promotes their spiritual, moral, cultural, mental and physical development.

We are committed to preparing our students for the opportunities, responsibilities and experiences of later life so that they become actively involved in their community, contributing to society and living as independently as possible.

The pedagogy and principles behind the range of learning programmes have a strong evidence base for raising attainment.

Our curriculum framework was developed through collaborative work between other special schools and our own teachers, assistants, families and students. The Academy wanted a framework that could show how each student at the school benefits from a person centred approach (PCP). We believe that this model enables Education, Health and Care Plan (EHCP) outcomes to be embedded in, and central to our everyday work with each individual student at our school. Whilst also ensuring that students have a broad and balanced experience.

In order to provide students across the school with experiences that are relevant, interesting and challenging, and to identify opportunities for progression, we have adopted a curriculum structure with 3 broad levels: pre-formal, semi-formal and formal. These levels are not defined by age but by need and achievement; students may therefore move from one level to the next at any point in their school career. Each level covers skills, knowledge and understanding across a range of subjects.

As a result of their special educational needs and disabilities, all students are working at levels of attainment that are well below national expectations when they join the academy in Year 7. In Key Stages 3 and 4, all groups of students, including the most able and disadvantaged students, achieve well and make good progress, including in English and mathematics, from their starting points.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

In 2016-2017:

- 95% of all students achieved an appropriate English, ICT and PE qualification;
- 92% of all students achieved an appropriate Maths qualification;
- 97% of all students achieved an appropriate Science qualification;
- 91% of students met or exceeded aspirational targets in English;
- 95% of students met or exceeded aspirational targets in Maths;
- 100% of students met or exceeded target for Open Award Diploma; and
- 100% of students entered achieved PPU Award/ Certificate or Diploma.

The behaviour of students is consistently good. For those students who do have difficulties managing their own emotions and behaviour, an individualised programme is offered, which can include access to the pastoral team whom deliver a series of therapeutic intervention programmes, and advice from the Academy's Multi-Agency team such as the Educational Psychologist, Speech and Language Therapist and Occupational Therapist.

Abbey Hill Academy Sixth Form

The number recorded on roll (2016/2017) for Abbey Hill Academy Sixth Form students aged 16-19 years was 73. Sixth Form students are arranged into seven groups according to ability levels.

Each student follows one of four pathway curriculum models to meet their individual needs. These pathway models support students with profound multiple learning difficulties, severe learning difficulties, moderate learning difficulties and autism. The curriculum pathways ensure that all students follow the "Post 16 National Programme Offer" and the principles behind the preparation for adulthood agenda. All students have the opportunity to engage in a work experience, supported placement and vocational activities.

Abbey Hill Academy Sixth Form was inspected by Ofsted in June 2015 and was graded as 'outstanding' overall.

Internal observations showed lesson observations as 65% outstanding and 35% as good during 2016-17. Lesson observations by external specialists during the Trust's Validated Self Evaluation (VSE) and School Improvement Partner (SIP) judged teaching to be outstanding.

"Teaching & learning in the Sixth Form is outstanding. Relationships between students and staff are outstanding and staff have an excellent understanding of students' individual needs. Teachers are very skilled in adapting their teaching to develop students' understanding and to ensure they produce high-quality work. The quality of marking is consistently good. Students are very clear how to improve their work, including their portfolios for external assessment." (Ofsted June 2015).

As part of our Trust scrutiny procedure the Board of Trustees set key performance indicators for the different provisions. Our Targets for 2016-2017 for each Pathway were fully achieved.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

"Students' progress is outstanding. This is seen in their excellent achievement in English and Mathematics, where a very strong focus is placed on developing their literacy and numeracy skills. Students, particularly the most able, gain considerable confidence in their abilities to study GCSE courses." (Ofsted June 2015).

42% of our students are entitled to free school meals, 4% are looked after young people - and they are all performing in line with their peers. 75% of the cohort are male and are also performing in line with their peers. 1.4% of students are from ethnic minorities; and 1.4% have a first language other than English and are performing in line with their peers.

Attendance within Abbey Hill Academy Sixth Form is recorded overall as 91% for 2016-17. There were no students who had short-term exclusions in 2016/2017.

"Students' behaviour and attitudes to learning are excellent because they are highly engaged in their activities and very respectful of the teaching staff and other students. They are given encouragement to work independently and can do so extremely successfully." (Ofsted June 2015).

In May 2017, 100% of staff felt proud to be a member of the Sixth Form and also felt that the Sixth Form was well led and managed.

100% of parents and carers are also happy for their son and daughter to attend the Sixth Form and feel that their son or daughter is making good progress.

Westlands Academy

The number of students recorded on roll (2016/2017) for Westlands Academy was 75. Overall attendance is below that of special schools nationally but has improved to 77% from very low pre-admission figures. Attendance for 2015/16 was 74%, so we are on an upward, positive trend of improving attendance. The school sets improving targets for attendance, and challenges every absence at meetings with parents, carers, the Attendance Service and Social Care.

In September 2016 we introduced external assessment systems across the whole school. These are used (and standardised across the whole of the UK) to support further accuracy and understanding of students' real starting points when they join us, as well as their potential. We are now able to triangulate Key Stage 2 scores, CAT (Cognitive Ability Test) scores and teacher assessment. For context, the average Westlands student sits within the first quintile of ability (i.e. in the bottom 20% nationally). Our highest ability group is in the lowest third for all students nationally.

We were inspected by Ofsted in December 2016 and received an overall grade of 'good'. This was very well deserved and an important next step in securing sustained progress for the academy.

Outcomes for students with pupil premium funding (FSM 53%, 82% through Ever 6 measures) are greater than those of other students in the Academy and surpass the regional and national outcomes for students with SEN (data from DfE Statistical First Release). Students are encouraged to read widely and with confidence and the focus on reading, particularly with less able students, results in progress in reading above expectations. Progress in terms of LAC outcomes is at least good and is currently in line with the progress of other students within the Academy.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Outcomes for Year 11 students continue to improve. The Participation Adviser, Youth Direction, works with relevant school staff for Year 11, colleges and other partners and supports the young people and their parents/carers to agree the best future pathway for each young person. This includes visits to colleges and other training providers. Updates provided for leavers' destinations over the past two years indicate that over 80% of students have entered employment, education or training on transition. Additional support is provided for students who are struggling to engage.

Looked After Children (LAC) in Key Stage 3 outperformed their peers. Progress is therefore evaluated as at least good. The Academy has introduced a literacy support programme using pupil premium money to target students who are least able in literacy. We have also recently extended this to include Mathematics intervention too.

Lesson observations are good with many as outstanding. Staff are supported to develop their practice through an extensive Academy and Trust focused CPD programme.

Behaviour profiles demonstrate that students make good progress in terms of managing their own behaviour and demonstrate improved attitudes towards learning.

The Academy seeks formal feedback from parents, carers and students through questionnaires on how they believe the Academy is performing. The results state that students and parents have a growing confidence in the school.

Green Gates Academy

The number of pupils recorded on roll for 2016/17 was 40 (planned places of 40). During 2017-18 we will be looking to extend our planned places to 50 pupils. All pupils have identified Social, Emotional and Mental Health difficulties. In addition, 16% of the cohort also has a diagnosis of additional learning or other difficulties. Attendance for the session 2016 - 2017 was 95.4%

To plan and review pupil progress, four curriculum pathways have been established. Progress and attainment across Key Stage 1 and 2 is good in relation to their starting points, test scores, teacher assessments and national assessments for example the phonics screen check.

During the academic year of 2016-17 outcomes for pupils at the end of Key Stage 1 were good. Key Stage 2 results from SATs indicate that Green Gates pupils met floor targets in Grammar, Punctuation & Spelling, Reading and Maths

The year 6 for 2016-17 cohort consisted of 11 pupils. 1 pupil had identified learning difficulties alongside SEMH. 18% of pupils were Looked-After; 50% were FSM.

Staff will be using IRIS/VERP to ensure all staff deliver consistently good or better lessons during 2017-18. The Academy continues to develop effective methods to teaching and learning through reflective practice. The Introduction of *Forest Schools* is having an impact on writing and motivates children. Maths achievement was a whole school target and progress scores show a significant increase from last year in maths. Teacher evaluations, which include an observation, book scrutiny, environment and pupil discussion for each member of staff have shown 75% Good and 25% Outstanding.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

In June 2017, Green Gates was inspected by Ofsted as requires improvement overall. During 2017-18, the trust will be addressing the issues identified from the inspection to move the school forward

The behaviour of pupils is good and in many cases outstanding. Exclusions were extremely low in comparison to national figures. Boxall profile data demonstrates that pupils have made progress with managing their own emotions and behaviours. Other support mechanisms - five-point scale, sensory input and regulation, peer massage, counselling from ABC - show that pupils make significant improvements with their behaviour from their starting point at Green Gates, which in turn sees a rise in their progress and achievement levels. Ofsted June 2017 graded Behaviour Safety and Welfare as Good.

Parents are very positive about the school; the recent survey indicated a 100% satisfaction response to all questions, they felt welcomed into the school (100%) and knew that their child could find help (100%); they were happy with the teaching (100%) and felt that their child was well looked after (100%). Our staff are also very positive about the school with 100% of staff feeling proud of working in this school.

Since becoming a separate school in 2014 Green Gates Academy has been awarded Investors in People, Recognition of Commitment for Rights Respecting and Leading Parent Partnership Award. During 2017-18 Green Gates will be working towards becoming a Rights Respecting School (level one) and renewing the LPPA Award.

Hollis Academy

The number of students recorded on roll (2016/2017) for Hollis Academy was 82. Overall attendance is below that of special schools nationally but has improved the attendance of students from very low pre-admission figures (an average of 65% attendance on admission). The school sets improving targets for attendance, and challenges every absence at meetings with parents, carers, the Attendance Service and Social Care.

Outcomes for pupils with pupil premium funding are in line with non-free school meals (FSM) pupils. Students are encouraged to read widely and with confidence and the focus on reading, particularly with less able pupils, results in progress in reading above expectation. Progress in terms of LAC outcomes exceeds progress for other students within the Academy.

Outcomes for Year 11 have improved year-on-year, with the current 2017 results being the strongest in the school's history in terms of overall attainment and individual progress. The Job Centre and Vice Principal work with relevant school staff for Year 11, colleges and other partners and support the young people and their parents/carers to agree the best future pathway for each young person. This includes visits to colleges and other training providers. Updates provided for leavers' destinations over the past two years indicate that over 75% of students have entered employment, education or training on transition. Additional support is provided for students who are struggling to engage. There is a strong culture of CEIAG throughout the school.

Over 70% of pupils at KS3 have made expected progress from individual starting points. Looked-After Children (LAC) in Key Stage Three matched the performance of their peers. Progress is therefore evaluated to be good. The Academy has introduced a GCSE support programme to target students who are least able in literacy, providing additional out of hours support.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Lesson observations from last years VSE, saw teaching, learning, and assessment as good. Staff are supported to develop their practice through an extensive Academy and Trust focused CPD programme.

Behaviour profiles demonstrate that students make good progress in terms of managing their own behaviour and demonstrate improved attitudes towards learning.

The Academy seeks formal feedback from parents and students through questionnaires on how they believe the Academy is performing. The results show that students and parents have confidence in the school.

Key Performance Indicators

The key financial performance indicators of the Trust relate to the effectiveness of the use of funds for the benefit of the education of children. The key non-financial performance indicators of the Trust relate to the achievements and performance of its students. Please see the Achievements and Performance section for further details.

Going Concern

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

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

Financial Review

Upon joining Horizons Specialist Academy Trust, each academy brought income into the Trust as a result of its school surplus balance when it converted to Academy status, in addition to private school funds. Along with the revenue and capital balances, Hollis Academy brought £49,806 from the 'sink fund', which was a requirement of Building Schools for the Future (BSF) schools. This, plus additional income generated during the first four years of operating, is shown as unrestricted funds to the Trust. As such, this is not a conditional spend on specific purposes other than those as described in the relevant governing documents.

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

During the period 1 September 2016 to 31 August 2017 total expenditure of £11,155,792 was in excess of grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £609,051.

At 31 August 2017 the net book value of fixed assets was £15,210,000. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

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Trustees' Report *(continued)* Year Ended 31st August 2017

Under accounting standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund. This resulted in the pension fund showing a deficit of £4,748,000 which has been carried forward to 2017-2018. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

Reserves Policy

One of the main financial risks to The Trust is that of managing its short-term cash flow effectively. To mitigate this risk the Board agreed that an appropriate minimum reserves balance would equate to 4 weeks' worth of expenditure, both in terms of salaries and invoices. This has been regularly reviewed and most recently increased to £800,000 in December 2016 due to Hollis Academy joining the Trust. In addition to the reserves for potential short-term cash flow issues, the Trust has agreed to keep an additional £650,000 making the total reserves balance £1,450,000. The additional funds represent an acceptable working balance to meet unexpected significant cost pressures. It is planned to review the level of reserves during the autumn term of 2018.

The Finance and General Purposes Committee review reserve levels on a termly basis in line with the budget monitoring information and forecasts presented to Trustees. At 31 August 2017, the value of unrestricted reserves (freely available to the Trust) was £1,123,253. Restricted funds as at 31 August 2017 were £1,406,232 (excluding pension and fixed assets) making the total reserves £2,529,485.

Investment Policy

The Trust operates an interest bearing current account with Lloyds bank as approved by the Board of Trustees. Sufficient balances are maintained to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including sufficient contingency for unexpected payments. The Trust will not take out any long-term investments exceeding twelve months. Funds have been placed in multiple, staggered, deposit accounts during the year to maximise interest generation. Due to less favourable interest rates and an attempt to further increase income for the Trust, a 32-day deposit account was also opened - increasing the interest generated.

Financial and Risk Management Objectives and Policies

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

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

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

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 25 to the financial statements, represents a significant potential liability. However, the Trust considers that, as each individual Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. Also,

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, the Department would meet outstanding local government pension scheme liabilities for Education. The guarantee came into force on 18 July 2013.

Risk Management

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

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

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

Plans for Future Periods

HSAT has a three-year strategic plan covering 2017-2020, with specific aims and objectives for the session 2017-2018 and anticipated aims and objectives for 2018-2020. There are five key Strategic Objectives:

Strategic Objective 1: Support and Protect Vulnerable Children

Our vulnerable children and young people will be protected and supported to succeed. The appointed range of professionals within the Trust will ensure the continuation of an effective and efficient Safeguarding Board. The input from the Trust's appropriately qualified Safeguarding Lead ensures that the Trust will be robust in its application of new legislation, guidance and protocols to support and safeguard children and young people. The Trust's academies will help children and young people develop good mental health and access support when they need it. We will ensure 100% of our pupils/students participate in health and wellbeing programmes. Ofsted's *Personal Development Behaviour and Welfare* grade will be at least *Good* within one year of an academy joining the Trust and *Outstanding* within three years of joining, or at the first Section 5 inspection – whichever is sooner. The programme of Training and Development for Trustees is continually evaluated and updated to ensure they have the skills to meet the requirements of the role of Trustee, and monitor the identification and implementation of the 'Early Intervention Support Offer' within the Trust Academies. Strengthened approaches to recognising and acting upon Student Voice with Early Help procedures will result in our pupils and students reporting that they feel safe in school. All our academies will achieve Rights Respecting school status within one year of joining the Trust.

Strategic Objective 2: Strengthen MAT Infrastructure and Leadership.

Professional development will be provided as a means to drive continuous improvement at all levels across the Trust. Bespoke training pathways for all professionals will ensure that 100% of teachers are engaged in reflective practice and are able to map out a career progression resulting in high levels of retention of high-performing teachers within the Trust. The Trust supports the training and development

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

of executive, senior and middle leaders to enable deployment in quality Assurance, and Support and Challenge roles. There is commitment to incentivising outstanding Trust leaders to take on new challenges; provide school-to-school support and lead sponsored academies. At least two of the Trust's experienced and effective Principals will undertake Executive Leadership Training, and leaders will be encouraged to train and engage as Ofsted Inspectors, Specialist Leaders of Education and National Leaders of Education. The aim is for the Trust to have a Quality Assurance Team of Educational Professionals that can offer a coherent package for school improvement that supports rapid improvement and is also a means of attracting good and outstanding schools to join the Trust.

Strategic Objective 3: Ensure Achievement, Raise attainment and Improve Progression

Every child and young person will be supported to achieve and be prepared for adult life. The Trust intends to continue to make full use of Academy freedoms to deliver a flexible, creative curriculum that develops vocational pathways, embeds our Forest School Initiative, and realises good outcomes for all students. The Trust aims to build on previous personal bests, with improved progress and outcomes for children and young people. Increasing the range of accreditation on offer in all academies, Improving literacy and numeracy as evidenced in Key Stage 2 assessment measures, and Key stage 4/5 accreditation in English and Maths, is key to ensuring school leavers are actively engaged in the next stage of adult life which may include being engaged in learning, training or employment. The Trust will ensure at least good evaluations for all its academies, and student and parental questionnaires confirm at least 90% satisfaction rates with the standard of provision.

Strategic Objective 4: Support Outstanding Standard of Teaching and Learning

Every child and young person will receive high-quality education with the aim of their being a successful, motivated learner. The Trust will continue to ensure teaching is exemplary by monitoring quality across the Academies. It aims to ensure there is evidence of - as a minimum - good teaching, learning and assessment, and that high-performing teachers nearly always demonstrate outstanding teaching, learning and assessment. High-quality professional development and performance management that support quality feedback, and identify how to improve where improvement is required, is a key component in raising standards. The establishment of a cross-Trust timetable for moderation of teaching performance will ensure high performing teachers are trained to coach and support others to become consistently good. In addition, one formal Validated Self evaluation (VSE) at each Academy undertaken annually, and one formal external verification of the standards every two years, will ensure 100% of pupils/students meet and exceed national progress expectations from individual starting points. The addition of a fourth and sponsored academy into the Trust as of 1st October 2016 - Hollis Academy, in Middlesbrough - has provided the Trust with the challenge of taking it out of '*Special Measures*' and on a positive journey towards being at least a *Good School* at the first Section 5 inspection since joining.

Strategic Objective 5: Strategy for Growth Articulated and Supported by Governance structure.

Outstanding Leadership and Governance builds capacity for growth and supports our academies. Governance and Leadership will be strengthened across the Trust, with the aim of Ofsted Leadership and Management Grade being *Outstanding* in all academies within three years of joining or at the first Section 5 inspection – whichever is sooner. The addition of two Members, sources via Academy Ambassadors, will strengthen accountability for Trustees. The Strategic Board, working in partnership with the CEO, holds academy leaders to account and governors accountable for high standards. The

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Scheme of Delegation will be updated to reflect the establishment of Academy Councils in geographical areas, supporting the expansion of the Trust.

Major developments at Westlands have undoubtedly significantly improved its learning environment, and Green Gates has benefitted from the additional tutorial space and the improvements in roofing areas. Increased numbers of pupils and students add further pressures of improving, updating and expanding. Westlands, in particular, would benefit from additional improved facilities for Physical Education and Sports. The Trust is engaging in specific fundraising approaches as a means of providing improved sports facilities at Westlands. Abbey Hill Academy's expansion of numbers at the secondary stage from 215 to 225 students - with projected numbers for 2017-2018 remaining the same - means that the provision for students with Autism is not sufficiently large to meet demand. The Trust had been working with local authorities across the Tees Valley to explore the possibility of applying to the DfE for permission to set up a 'Free School' to accommodate the needs of students with Autism Spectrum Conditions who require optimal space and options for quiet learning areas. If the DfE continues to support the development of Specialist Free Schools, then the Trust would wish to progress the development of a separate Academy for students with autism. This would then free up space for additional students to attend Abbey Hill Academy. The Trust aims to continue to improve the physical condition of each Academy through funding from the ESFA Condition Improvement Fund (CIF) and other funding sources available.

The Strategic Plan will be disseminated more widely to reflect the wide range of services associated with our Academies. Our expansion from three Academies to four has resulted in updated websites and other forms of communication, including marketing materials, to ensure that each Academy's SEN Report is up-to-date and the Trust's 'local offer' is clearly and appropriately articulated for all stakeholders. This will continue where additional academies join the Trust.

The Trust will continue to work with parents to ensure our support for parents and carers, and our quality of partnership working, merit the standards associated with the *Leading Parent Partnership Award*. In addition, the planned establishment of Academy Councils will bring opportunities for further involvement of parents/carers in the evaluation of Academy provisions in a formal capacity as parent governors.

The Trust intends to continue to provide opportunities for our pupils during holiday periods by utilising funding from the successful bid to *Children in Need* to provide holiday sports clubs. Developing flexible staff working patterns will ensure that there is a reduction in the length of holiday breaks for our most vulnerable pupils. In the session 2016/17 more than a third of students at Abbey Hill Academy had access to at least one week of additional support via a holiday club run by Trust staff. Pupils at Green Gates had access to at least 5 days of activities during the summer holiday period in 2017. The plan is to explore options for students at Westlands Academy to allow them access to at least 5 days of activities during the summer holiday period in 2017.

Past experience has demonstrated that external confidence in the Trust's ability 'to do more and to do it better' arises when there is firm evidence of success and high standards of performance within the Trust.

In undertaking this significant programme of improvement, the Trust will prudently invest its finances and work to achieve the best return for future developments.

Horizons Specialist Academy Trust Company Limited by Guarantee

Trustees' Report *(continued)* Year Ended 31st August 2017

Principal risks and uncertainties

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

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

Funds Held as Custodian on Behalf of Others

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

Auditor

During the year Tait Walker Chartered Accountants were appointed as auditors.

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 auditors are unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 12-12-17..... and signed on its behalf by:



M Jones

Chair of Trustees

Horizons Specialist Academy Trust Company Limited by Guarantee

Governance Statement Year Ended 31st August 2017

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Trust's Chief Executive, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Elizabeth Horne CBE	6	6
Sharon Davison	4	6
Helen Dyson	5	6
Colin Whittaker	6	6
Maurice Jones	6	6
Linda Laidler	5	6
Dr Baxi Sinha	4	6
James Bromiley	3	6
Sue Richardson	5	6

The annual review of governance took place at the beginning of the academic year and focussed on the key areas of Vision, Ethos and Strategy; Governance Structures; Trustee Board Effectiveness and Conduct; Engagement; Effective Accountability of the Executive Leadership and Impact on Outcomes for Pupils. The review had been extremely positive and the outcomes had been reflected in the Trust's strategic planning documentation 2016/2017 and have now been used to inform the new 2017/2020 Strategic Plan.

There is a whole host of data utilised by the Board and its Committees throughout the course of its business. Reviewing the data received has resulted in an update being made to the information presented to the Provision & Achievement Committees to support directors' challenge across the Academies. With regard to the provision of financial information, termly cash flows are now included and Directors have worked with the Trust's new auditors to ensure their reporting fulfils the Committee's requirements.

In October 2016 Hollis Academy, a sponsored academy, joined the Trust. In the Board's planning for the inclusion of a new sponsored academy, the Committee structure had been reviewed and implemented at the beginning of the 2016 academic year. The new structure brought with it two Provision & Achievement Committees, whose key areas of focus were Academy outcomes. Abbey Hill Academy and Abbey Hill Academy Sixth form were represented by the Provision & Achievement Committee (Complex Needs); and Green Gates, Hollis and Westlands Academies by the Provision & Achievement Committee (SEMH). Through adhering to the Committee cycle of quality assurance, these

Horizons Specialist Academy Trust Company Limited by Guarantee

Governance Statement *(continued)* Year Ended 31st August 2017

new Committees are fully embedded and robustly challenge outcomes for all academies within the Trust.

Work had taken place to implement the Board's succession planning procedure, with the existing Chair stepping down from the role in July 2017 and the current Vice-Chair being appointed as Chair. This will again be reviewed at the beginning of the autumn term 2017 at which point Directors will confirm the new Chair's appointment for the 2017/2018 academic year.

In order to support the Trust's future growth, the Board of Directors' structure will again be evolving in the form of Academy Councils, the planning for which had taken place during the 2016/2017 academic year. Detailed information on implementation will be included in the 2017/2018 annual report.

The Finance and General Purposes Committee is a sub-committee of the main board of Trustees. Its purpose is to assist the decision making of the Trust by enabling more detailed consideration to be given, and to ensure the sound management of the Trust's finances, staffing and resources, including proper planning, monitoring and probity. During the year, the Committee completed a staffing restructure for the Residential Provision to address financial pressures associated with this provision. Attendance during the year at meetings of the Finance and General Purposes Committee was as follows:

Trustee	Meetings attended	Out of a possible
Elizabeth Horne CBE	9	9
Maurice Jones	9	10
Linda Laidler	8	10
Colin Whittaker	10	10

The Audit Committee is also a sub-committee of the main board of Trustees. Its purpose is to advise the Trust on the adequacy and effectiveness of the systems of internal control and the arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money) and that the systems are rigorous and constantly reviewed. Attendance during the year at meetings of the Audit Committee was as follows:

Trustee	Meetings attended	Out of a possible
Linda Laidler	3	3
Dr Baxi Sinha	2	3
Sharon Davison	3	3

Horizons Specialist Academy Trust Company Limited by Guarantee

Governance Statement *(continued)* Year Ended 31st August 2017

Review of Value for Money

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

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

Improving Educational Outcomes

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

- Offering a diverse curriculum ensuring all students have had the opportunity to raise their individual levels of attainment.
- Students accessed specialist equipment, provision of vocational opportunities and work experience, and where appropriate, procuring off-site provision.
- Access to after school and Saturday clubs run throughout the year providing students with further opportunities to develop and learn. Support Staff were carefully deployed during term time ensuring maximum flexibility for staff with minimal additional cost.
- Regular and robust training and development underpinned the appraisal process and staff continued to be encouraged and supported in their personal professional development. The Professional Learning Lead for the Trust planned programmes across all academies ensuring best value in terms of economies of scale in relation to the cost of professional development opportunities.
- The appointment of Specialist Leaders in Education further supported the implementation of learning and teaching whilst generating a modest amount of revenue for the Trust.
- The Trust supported an additional member of staff in accessing training to become a qualified OFSTED inspector increasing future income generation alongside improved knowledge.
- The Chief Executive joined the Head Teachers Board generating additional income for the Trust as well as providing a valuable contribution to the Regional Schools Commissioner.

Financial Performance

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

- Staffing costs were reviewed and the need for specific posts was challenged when vacancies arose, ensuring savings were identified where possible. As a result, a number of support staff posts were advertised at different grades or newly-defined posts - resulting in cost savings.
- In readiness for a 22.7% reduction in planned places from 1 September 2017 (and £250,000 GAG funding), Hollis Academy faced an enormous challenge in terms of a staffing review. This was managed successfully by taking on board the needs of the entire Trust and utilising staff skills across more than one academy. In addition, temporary contracts were reviewed and new opportunities explored for existing staff.

Horizons Specialist Academy Trust Company Limited by Guarantee

Governance Statement *(continued)* Year Ended 31st August 2017

The Trust continues to employ specialist staff such as a Speech & Language Therapist and Educational Psychologist - ensuring qualified, enthusiastic professionals were in place to benefit all academies within the Trust.

- The addition of Hollis Academy has resulted in a small amount of the accounts function to operate from another site, however the majority is centralised resulting in a cost-effective service.
- A number of major contracts were reviewed during the year on behalf of all the academies within the Trust including an EU catering tender. Financial savings were achieved due to economies of scale.
- Sharing assets across the Trust has ensured more efficient use of resources, resulting in saving money and giving maximum return for the Trust. Over the year, in addition to staffing, this has included sharing resources, vehicles and utilising vacant rooms.
- A further 3 CIF bids (from 5 submitted) were successful with improvements on every site who submitted bids (Abbey Hill: £677,285 across 2 years for roof replacement, Westlands: £138,541 for roof replacement; and £39,588 to replace the boilers at Green Gates).

All staff with budget responsibility, regardless of the amounts involved, were supported and encouraged to achieve value for money from the finance team. The Finance Policy continues to be regularly reviewed and clearly outlines ways to ensure the integrity of public funds and how they can be maintained by following the principles of probity, accountability and fairness. The Trust continues to benchmark its costs against similar organisations to identify potential areas for savings. High-level information from published annual accounts for other Trusts has been reviewed and compared with our data, along with benchmarking reports provided by our external partners, to aid us in this process.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal, on-going, process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period commencing with trading on 1 September 2016 and ending 31 August 2017, and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process.

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

Horizons Specialist Academy Trust Company Limited by Guarantee

Governance Statement *(continued)* Year Ended 31st August 2017

- 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 Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2017 and signed on its behalf by:



M Jones
Chair of Trustees



E Horne CBE
Accounting Officer

Horizons Specialist Academy Trust Company Limited by Guarantee

Statement of regularity, propriety and compliance Year Ended 31st August 2017

As accounting officer of Horizons Specialist Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



**E Horne CBE
Accounting Officer**

12.12.2017

Horizons Specialist Academy Trust Company Limited by Guarantee

Statement of Trustees' Responsibilities

Year Ended 31st August 2017

The Trustees (who act as governors of Horizons Specialist Academy Trust and 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 2016 and the Academies Accounts Direction 2016 to 2017;
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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.

Horizons Specialist Academy Trust Company Limited by Guarantee

Statement of Trustees' Responsibilities *(continued)*

Year Ended 31st August 2017

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 ~~12-12-17~~ and signed on its behalf by:


M Jones
Chair

Horizons Specialist Academy Trust Company Limited by Guarantee

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

Year Ended 31st August 2017

We have audited the financial statements of Horizons Specialist Academy Trust for the year ended 31 August 2017 which comprise The Statement of Financial Activity, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016-17.

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of the charitable company's profit 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.

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 charitable company 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Horizons Specialist Academy Trust Company Limited by Guarantee

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

Year Ended 31st August 2017

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 strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Trustees' 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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 directors

As explained more fully in the Trustees' responsibilities statement set out on pages 30 and 31, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Horizons Specialist Academy Trust Company Limited by Guarantee

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

Year Ended 31st August 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charitable company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

**Horizons Specialist Academy Trust
Company Limited by Guarantee**

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

Year Ended 31st August 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of
Tait Walker LLP
Chartered Accountants & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS
19th December 2017

Horizons Specialist Academy Trust Company Limited by Guarantee

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

Year Ended 31st August 2017

In accordance with the terms of our engagement letter dated 15 March 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizons Specialist Academy Trust during the period 1 September 2016 to 31 August 2017 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 Specialist Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Horizons Specialist Academy 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 Specialist Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of the Horizons Specialist Academy Trust Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Horizons Specialist Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2015 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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:

- Enquiry of senior management and directors of the Academy Trust;
- Inspection and review of the accounting records, meeting minutes, internal control procedures;
- Obtaining and reviewing management representations and declarations of interest; and
- Observation and re-performance of financial controls

**Horizons Specialist Academy Trust
Company Limited by Guarantee**

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

Year Ended 31st August 2017

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tait Walker LLP

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

19th December 2017

Horizons Specialist Academy Trust Company Limited By Guarantee

Statement of Financial Activities (Incorporating The Income And Expenditure Account)

Year Ended 31st August 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset	Total Funds 2017	Total Funds 2016
	Note	£000	£000	£000	£000	£000
Incoming resources						
Donations & capital grants	2	17	–	328	345	68
Transfer from local authority on conversion	28	161	(645)	7,029	6,545	–
Charitable activities: Funding for the Academy Trust's educational operations	3	52	9,919	–	9,971	8,283
Other trading activities	4	51	65	–	116	45
Investments	5	12	–	–	12	15
Total incoming resources		<u>293</u>	<u>9,339</u>	<u>7,357</u>	<u>16,989</u>	<u>8,411</u>
Expenditure on:						
Raising funds	6	–	(19)	–	(19)	(104)
Charitable activities: Academy Trust educational operations	6	(63)	(10,642)	(431)	(11,136)	(8,494)
Total expenditure		<u>(63)</u>	<u>(10,661)</u>	<u>(431)</u>	<u>(11,155)</u>	<u>(8,598)</u>
Net income/ (expenditure)		230	(1,322)	6,926	5,834	(187)
Transfers between funds		–	67	(67)	–	–
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes		–	3,431	–	3,431	(3,945)
Net movement in funds		<u>230</u>	<u>2,176</u>	<u>6,859</u>	<u>9,265</u>	<u>(4,132)</u>
Reconciliation of funds						
Total funds brought forward		<u>893</u>	<u>(5,518)</u>	<u>8,351</u>	<u>3,726</u>	<u>7,858</u>
Total funds carried forward		<u>1,123</u>	<u>(3,342)</u>	<u>15,210</u>	<u>12,991</u>	<u>3,726</u>

Horizons Specialist Academy Trust
Company Limited By Guarantee
Company Registration Number: 08608287

Balance Sheet
As At 31st August 2017

		2017		2016	
	Note	£000	£000	£000	£000
Fixed Assets					
Tangible fixed assets	12		15,210		8,319
Current Assets					
Stocks	13	5		5	
Debtors	14	207		186	
Cash at bank		3,064		2,588	
		<u>3,276</u>		<u>2,779</u>	
Creditors: amounts falling due within one year	15				
		<u>(747)</u>		<u>(597)</u>	
Net Current Assets/(Liabilities)			<u>2,529</u>		<u>2,182</u>
Total Assets Less Current Liabilities			<u>17,739</u>		<u>10,501</u>
Defined benefit pension scheme liability	25		<u>(4,748)</u>		<u>(6,775)</u>
Total Net Assets			<u><u>12,991</u></u>		<u><u>3,726</u></u>
Funds Of The Academy Trust					
Restricted Funds					
Fixed asset fund	16	15,210		8,351	
Restricted Income fund	16	1,406		1,257	
Pension reserve	16	<u>(4,748)</u>		<u>(6,775)</u>	
Total Restricted Funds	16		<u>11,868</u>		<u>2,833</u>
Unrestricted income funds	16		<u>1,123</u>		<u>893</u>
Total Funds			<u><u>12,991</u></u>		<u><u>3,726</u></u>

These financial statements on pages 38 to 40 were approved by the Trustees and authorised for issue on the 12-12-17 and are signed on their behalf by:

Elizabeth Horne

E Horne CBE
Accounting Officer

Horizons Specialist Academy Trust Company Limited By Guarantee

Cash Flow Statement

Year Ended 31st August 2017

		2017	2016
	Note	£000	£000
Cash Flows From Operating Activities			
Net cash provided by (used in) operating activities	20	428	70
Cash Flows From Financing Activities	21	12	15
Cash Flows From Investing Activities	22	36	(295)
Change In Cash And Cash Equivalents In The Reporting Period		<u>476</u>	<u>(210)</u>
Cash And Cash Equivalents At 1 September 2016		<u>2,588</u>	<u>2,798</u>
Cash And Cash Equivalents At 31 August 2017	23	<u>3,064</u>	<u>2,588</u>

Horizons Specialist Academy Trust Company Limited By Guarantee

Notes to the Financial Statements

Year Ended 31st August 2017

1. Accounting Policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Horizons Specialist Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

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 receivable

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 ('GAG') is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

Sponsorship Income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Assets transferred upon conversion

Where assets are received by the trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Investment income

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

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight-line or reducing balance basis over its expected useful life, as follows:

Computer Hardware	-	3 years straight line
Furniture & Equipment	-	7 years straight line
Motor Vehicles	-	7 years straight line
Leasehold Land and Buildings	-	50 years straight line

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

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

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial Instruments

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

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

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

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

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

Taxation

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

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

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs, and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st August 2017

1. Accounting Policies (*continued*)

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and 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

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.

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 27, will impact the carrying amount of the pensions 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The company has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £431,000 (2016 - £257,000).

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

Critical areas of judgement

Assessing indicator of impairment.

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

2. Donations and Capital Grants

	Unrestricted Funds	Restricted Funds	Fixed Asset	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000	£000
Capital grants	—	—	328	328	50
Other donations	17	—	—	17	18
	<u>17</u>	<u>—</u>	<u>328</u>	<u>345</u>	<u>68</u>
Total 2016	<u>13</u>	<u>5</u>	<u>50</u>	<u>68</u>	

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

3. Funding for The Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000
DfE/EFA grants				
General Annual Grant (GAG)	–	5,456	5,456	4,544
Other DfE/EFA grants	–	301	301	428
	<u>–</u>	<u>5,757</u>	<u>5,757</u>	<u>4,972</u>
Other Government grants				
Local authority grants	–	4,151	4,151	3,270
Special educational projects	11	–	51	–
	<u>11</u>	<u>4,151</u>	<u>4,162</u>	<u>3,270</u>
Other income from the Academy Trust's educational operations	41	11	52	41
	<u>52</u>	<u>9,919</u>	<u>9,971</u>	<u>8,283</u>
Total 2016	<u>41</u>	<u>8,242</u>	<u>8,283</u>	

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

4. Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000
Hire of facilities	6	–	6	8
School Fund Income	–	7	7	5
Other Income	45	58	103	32
	<u>51</u>	<u>65</u>	<u>116</u>	<u>45</u>
Total 2016	<u>24</u>	<u>21</u>	<u>45</u>	

5. Investment Income

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£000	£000	£000	£000
Bank Interest	12	–	12	15
	<u>12</u>	<u>–</u>	<u>12</u>	<u>15</u>
Total 2016	<u>15</u>	<u>–</u>	<u>15</u>	

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

6. Expenditure

	Non Pay Expenditure				
	Staff Costs	Premises	Other	Total 2017	Total 2016
	£000	£000	£000	£000	£000
Expenditure on raising funds	–	–	19	19	104
Academy's educational operations:					
- Direct costs	4,754	–	466	5,220	6,000
- Allocated support costs	4,307	812	797	5,916	2,494
	<u>9,061</u>	<u>812</u>	<u>1,282</u>	<u>11,155</u>	<u>8,598</u>
 Total 2016	 <u>6,940</u>	 <u>597</u>	 <u>1,061</u>	 <u>8,598</u>	

Net income/(expenditure) for the period includes:

	2017	2016
	£000	£000
Depreciation	431	257
Operating lease rentals	17	16
Fees payable to auditor for:		
- audit	13	7
- other services	<u>3</u>	<u>5</u>

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

7. Charitable Activities

	Total 2017	Total 2016
	£000	£000
Direct costs	5,220	6,000
Support costs	5,916	2,494
	<u>11,136</u>	<u>8,494</u>

Analysis of support costs

	Total 2017	Total 2016
	£000	£000
Support staff costs	4,279	1,507
Depreciation	431	-
Premises costs	381	246
Other support costs	780	663
Governance costs	45	58
	<u>5,916</u>	<u>2,494</u>

8. Staff Costs

a. Staff costs

Staff costs during the period were:

	Total 2017	Total 2016
	£000	£000
Wages and salaries	6,514	5,265
Social security costs	603	421
Operating costs of defined benefit pension schemes	938	925
Apprenticeship levy	7	-
Other staff costs	608	52
	<u>8,670</u>	<u>6,663</u>
Supply staff costs	370	263
Staff restructuring costs	21	14
	<u>9,061</u>	<u>6,940</u>
Staff restructuring costs comprise:		
Redundancy payments	3	14
Severance payments	18	-
	<u>21</u>	<u>14</u>

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

8. Staff Costs (continued)

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,200 (2016: £nil).

c. Staff numbers

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

	Total 2017	Total 2016
	No.	No.
Teachers and teaching assistants	158	129
Administration and support	119	103
Management	8	7
	<u>285</u>	<u>239</u>

d. Higher paid staff

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

	Total 2017	Total 2016
	No.	No.
£60,001 - £70,000	3	1
£70,001 - £80,000	1	3
£80,001 - £90,000	1	—
£110,001 - £120,000	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £722,707 (2016: £684,234).

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

9. Related Party Transactions – Trustees' Remuneration and Expenses

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

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

Elizabeth Horne CBE (Chief Executive)

Remuneration Band £110,000 – 120,000 (2016: £110,000 – 120,000)

Employer's pension contributions paid £10,000 - £20,000 (2016: £10,000 - £20,000)

During the period ended 31 August 2017, travel and subsistence expenses totalling £nil were reimbursed or paid directly to no Trustees (2016: £363 to 1 Trustee).

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

10. Trustees' and Officers' Insurance

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

11. Central Services

The academy trust provides support in relation to a range of activities including Finance, HR, ICT, Health & Safety and Safeguarding. Each academy also receives support from the Chief Executive, Head of Strategy & SEN, Head of Finance & Operations, Head of Human Resources and the premises & Facilities Manager.

The costs are recharged to each academy based upon the individual needs and size of academy. The amounts charged between 1 September 2016 and 31 August 2017 were as follows:

The actual amounts charged during the year were as follows:

	2017	2016
	£000	£000
Abbey Hill	334	334
Westlands	49	148
Green Gates	–	8
Hollis	197	–
	<u>580</u>	<u>490</u>

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

12. Tangible Fixed Assets Academy Trust

	Leasehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Computer Hardware	Plant and Machinery	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 Sep 2016	8,497	117	94	271	6	8,985
Additions	7,163	34	17	86	21	7,321
Disposals	—	—	—	—	—	—
Transfers	(88)	—	—	—	88	—
At 31 Aug 2017	15,572	151	111	357	115	16,306
Depreciation						
At 1 Sep 2016	461	38	40	124	2	665
Charged in the year	296	28	17	76	14	431
Disposals	—	—	—	—	—	—
At 31 Aug 2017	757	66	57	200	16	1,096
Net Book Values						
At 31 Aug 2017	14,815	85	54	157	99	15,210
At 31 Aug 2016	8,036	79	54	147	4	8,320

Included within leasehold property is £163,000 (2016:£88,000) relating to assets under construction.

13. Stocks

	2017	2016
	£000	£000
Stock	5	5

14. Debtors

	2017	2016
	£000	£000
Trade debtors	18	1
VAT recoverable	36	46
Prepayments and accrued income	153	139
	207	186

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

15. Creditors: Amounts Falling Due Within One Year

	2017	2016
	£000	£000
Trade creditors	169	53
Other taxation and social security	155	126
Other creditors	75	175
Accruals and deferred income	348	243
	<u>747</u>	<u>597</u>

Deferred Income

	2017	2016
	£000	£000
At 1 Sep 2016	2	(271)
Released from previous years	(2)	271
Resources deferred in the year	8	2
At 31 Aug 2017	<u>8</u>	<u>2</u>

The deferred income relates to income received in respect of short break grants, additional student top up, tutor funding and travel training.

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

16. Funds

	At 1 Sep 2016	Income	Expenses	Gains, losses and transfers	At 31 Aug 2017
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	1,140	5,456	(5,257)	67	1,406
Sponsor grant	117	–	(117)	–	–
Other DfE/EFA	–	301	(301)	–	–
Other grants	–	4,227	(4,227)	–	–
Pension reserve	(6,775)	(645)	(759)	3,431	(4,748)
	<u>5,518</u>	<u>9,339</u>	<u>(10,661)</u>	<u>3,498</u>	<u>(3,342)</u>
Restricted fixed asset funds					
Transfer on conversion	6,256	7,030	(382)	–	12,904
DfE/ESFA capital grants	1,758	327	(49)	–	2,036
Capital expenditure from GAG	337	–	–	(67)	270
	<u>8,351</u>	<u>7,357</u>	<u>(431)</u>	<u>(67)</u>	<u>15,210</u>
Total restricted funds	<u>2,833</u>	<u>16,696</u>	<u>(11,092)</u>	<u>3,431</u>	<u>11,868</u>
Total unrestricted funds	<u>893</u>	<u>293</u>	<u>(63)</u>	<u>–</u>	<u>1,123</u>
Total funds	<u>3,726</u>	<u>16,989</u>	<u>(11,155)</u>	<u>3,431</u>	<u>12,991</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Amounts carried forward in relation to sponsor grants received from the DfE/EFA will be utilised during 2017/18

Other DfE/EFA grants, other government grants and other restricted funds include Pupil Premium, sickness insurance income, 16-18 Bursary funding & PE teachers grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

16. Funds (Continued)

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

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

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

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

Transfers between funds represents fixed assets purchased out of GAG.

Funds by Academy

Fund balances at the year-end were allocated as follows:

	2017	2016
	£000	£000
Central Services	–	118
Abbey Hill	1,876	1,589
Westlands	467	415
Green Gates	29	28
Hollis	157	–
Total before fixed assets and pension reserve	2,529	2,150
Restricted fixed asset fund	15,210	8,351
Pension reserve	(4,748)	(6,775)
Total	12,991	3,726

Analysis of Academies by cost

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

	Teaching and Education Support Staff Costs	Other Support Staff Costs	Education Supplies	Other Costs (Excl. depreciation)	2017
	£000	£000	£000	£000	£000
Central	–	–	–	–	–
Abbey Hill	4,543	562	136	756	5,997
Westlands	1,175	206	79	238	1,698
Green Gates	723	106	14	108	951
Hollis	1,588	158	68	264	2,078
	8,029	1,032	297	1,366	10,724

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

16. Funds (Continued)

	Teaching and Education Support Staff Costs	Other Support Staff Costs	Education Supplies	Other Costs (Excl. depreciation)	2016
	£000	£000	£000	£000	£000
Central	—	—	—	—	—
Abbey Hill	3,876	845	189	651	5,561
Westlands	975	322	116	203	1,616
Green Gates	576	176	28	122	902
	<u>5,427</u>	<u>1,343</u>	<u>333</u>	<u>976</u>	<u>8,079</u>

17. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	—	—	15,210	15,210
Current assets	1,123	2,153	—	3,276
Current liabilities	—	(747)	—	(747)
Pension scheme liability	—	(4,748)	—	(4,748)
Total net assets	<u>1,123</u>	<u>(3,342)</u>	<u>15,405</u>	<u>12,991</u>

18. Capital Commitments

	2017	2016
	£000	£000
Contracted for, but not provided in the financial statements	<u>521</u>	<u>17</u>

19. Operating Lease Commitments

As at 31 August 2017, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£000	£000
Amounts due within one year	8	16
Amounts due between one and five years	4	15
	<u>12</u>	<u>31</u>

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

20. Reconciliation of Net Income/(Expenditure) To Net Cash Flow from Operating Activities

	2017	2016
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,834	(187)
Adjusted for:		
Depreciation (note 12)	431	257
Capital grants from DfE and other capital income (note 2)	(328)	(124)
Interest receivable (note 5)	(12)	(15)
Assets transferred from the Local Authority	(7,029)	–
Defined benefit pension scheme obligation inherited	645	–
Defined benefit pension scheme cost less contributions payable (note 25)	615	172
Defined benefit pension scheme finance cost (note 25)	144	91
(Increase)/decrease in debtors	(22)	8
Increase/(decrease) in creditors	150	(132)
Net cash provided by/(used in) Operating Activities	<u>428</u>	<u>70</u>

21. Cash Flows from Financing Activities

	2017	2016
	£000	£000
Investment Income (note 5)	<u>12</u>	<u>15</u>
Net cash provided by/(used in) financing activities	<u>12</u>	<u>15</u>

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

22. Cash Flows from Investing Activities

	2017	2016
	£000	£000
Purchase of tangible fixed assets (note 12)	(292)	(420)
Capital grants from DfE/ESFA (note 2)	<u>328</u>	<u>125</u>
Net cash provided by/(used in) investing activities	<u>36</u>	<u>(295)</u>

23. Analysis of Cash and Cash Equivalents

	2017	2016
	£000	£000
Cash in hand and at bank	<u>3,064</u>	<u>2,588</u>
Total cash and cash equivalents	<u>3,064</u>	<u>2,588</u>

24. Members Liabilities

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 may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

25. Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Teesside Pension Fund. Both are multi-employer defined benefit pension schemes.

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

Contributions amounting to £121,499 (2016: £99,628) were payable to the schemes at 31 August 2017 and are included within creditors.

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st August 2017

25. Pension and Similar Obligations (*continued*)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers in Academies and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The teachers' pension budgeting and valuation account

Although Members may be employed by various bodies, their retirement and other pension benefits are set out in regulations under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Accounts is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for services to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS was implemented in September 2015.

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

25. Pension and Similar Obligations *(continued)*

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Services Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those with 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds.

The total contribution made for the year ended 31 August 2017 was £577,000 (2016: £467,000), of which employer's contributions totalled £412,000 (2016: £331,000) and employees' contributions totalled £165,000 (2016: £136,000). The agreed contribution rates for future years are 15.6 per cent to 31 March 2018, 16.6 per cent to 31 March 2019 and 17.5 per cent to 31 March 2020 for employers and 5.5 to 12.5 per cent for employees.

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

25. Pension and Similar Obligations *(continued)*

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 2017	At 31 August 2016
Rate of increase in salaries	3.00%	3.40%
Rate of increase for pensions in payment/inflation	2.00%	1.90%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	2.00%	1.90%

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.80	23.10
Females	24.90	25.60
<i>Retiring in 20 years</i>		
Males	25.00	25.30
Females	27.20	28.00

Sensitivity analysis

	At 31 August 2017	At 31 August 2016
Discount rate +0.1%	13,503	13,314
Discount rate -0.1%	14,161	13,935
Mortality assumption – 1 year increase	13,414	13,194
Mortality assumption – 1 year decrease	14,245	14,052
CPI rate +0.1%	14,037	13,812
CPI rate -0.1%	13,622	13,433

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

25. Pension and Similar Obligations *(continued)*

The Academy's share of the assets in the scheme were:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equity instruments	7,182	5,840
Property	581	500
Government Bonds	–	55
Corporate Bonds	9	55
Cash	1,162	397
Other	146	–
Total market value of assets	<u>9,080</u>	<u>6,846</u>

The actual return on scheme assets was £1,132,000 (2016: £926,000).

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	1,027	172
Net interest cost	144	91
Total operating charge	<u>1,171</u>	<u>263</u>

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

	2017 £000	2016 £000
At 1 September	13,621	8,149
Upon conversion	1,293	–
Current service cost	1,027	503
Interest cost	297	310
Employee contributions	165	136
Actuarial (gain)/loss	(2,452)	4,652
Benefits paid	(123)	(129)
At 31 August	<u>13,828</u>	<u>13,621</u>

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

25. Pension and Similar Obligations *(continued)*

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

	2017	2016
	£000	£000
At 1 September	6,846	5,582
Upon conversion	648	–
Interest income	153	219
Actuarial gain/(loss)	979	707
Employer contributions	412	331
Employee contributions	165	136
Benefits paid	(123)	(129)
At 31 August	<u>9,080</u>	<u>6,846</u>

26. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

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

27. Agency Arrangements

The academy trust administers the disbursement of the new discretionary support for learners, 16 – 19 Bursary Funds, on behalf of the EFA. In the year it was received £18,693 and disbursed £18,693.

HORIZONS SPECIALIST ACADEMY TRUST

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

28. Conversion to an Academy Trust

On 1st October 2016 the Prince Bishop School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hollis Academy from the Middlesbrough Local Authority for £nil consideration.

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

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

Hollis Academy

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	–	–	6,982	6,982
Other tangible fixed assets	–	–	47	47
Budget surplus/(deficit) on LA funds	148	–	–	148
Budget surplus/(deficit) on other school funds	13	–	–	13
LGPS pension surplus/(deficit)	–	(645)	–	(645)
Net assets/(liabilities)	<u>161</u>	<u>(645)</u>	<u>7,029</u>	<u>6,545</u>