

**Horizons Specialist Academy Trust  
(A Company Limited by Guarantee)**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 August 2015**

**Registered Number 08608287 (England and Wales)**



**Horizons Specialist Academy Trust**  
**FINANCIAL STATEMENTS**  
**For the year ended 31 August 2015**

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**Horizons Specialist Academy Trust**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
For the year ended 31 August 2015

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**Members**

**Directors (Trustees)**

Elizabeth Home (Chief Executive)  
Sharon Davison  
Colin Whittaker (Chair)  
Maurice Jones (Vice Chair)  
Linda Laidler  
Alan Chapman  
Graham Barker  
Dr Baxi Sinha  
James Bromiley  
Helen Dyson

**Company Secretary**

Alison Dobson

**Senior Management Team**

Chief Executive  
Principal  
Principal  
Principal  
Principal

Elizabeth Home  
Peter Ewart  
Rebecca Whelan  
Anita Amos  
Melanie Lyons

**Principal and Registered Office**

Horizons Specialist Academy Trust  
Abbey Hill Academy  
Ketton Road  
Stockton-on-Tees  
TS19 8BU

**Company Registration Number**

08608287 (England and Wales)

**Independent Auditor**

RSM UK Audit LLP  
Chartered Accountant  
1 St James Gate  
Newcastle upon Tyne  
NE1 4AD

**Bankers**

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

**Solicitors**

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

## Trustees' Report

For the year ended 31 August 2015

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period commencing 1 September 2014 and ending on 31 August 2015. The annual report serves the purpose of both a trustees' report and directors' report under company law.

### 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 Trustees of the Trust are also the directors of the Charitable Company for the purposes of company law. Trustees of the Charitable Company are nominated by either the Secretary of State for Education or by the members. Horizons Specialist Academy Trust is a single trust 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.

All schools converted to Academy status on 1 August 2013; however, between 1 August 2013 and 31 August 2014, Westlands Academy and Green Gates Academy were one (Westlands School operating over two sites) until officially re-designated as two by the DfE with effect from 1 September 2014.

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.

#### Principal Activities

The principal object and activity of the Charitable Company is the operation of Horizons Specialist Academy Trust, which during the period consists of Abbey Hill Academy & Sixth Form, Westlands Academy and Green Gates Academy.

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

#### 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, Member appointed Trustees and a minimum of two parent 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 8 October 2014.

## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

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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

Sharon Davison

Colin Whittaker

Maurice Jones

Linda Laidler

Graham Barker

Alan Chapman (appointed 8 October 2014)

Dr Baxi Sinha (appointed 16 December 2014)

Helen Dyson (appointed 2 March 2015)

James Bromiley (appointed 1 May 2015)

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

Barbara Yates (appointed 31 January 2014, resigned 16 December 2014)

Margaret Arrowsmith (appointed 12 July 2013, resigned 17 February 2015)

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.

#### 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 identified through an annual skills audit undertaken by Trustees during their annual self-evaluation process. Training, resulting from changes to legislation and changes in practice is also provided, again from both external and internal sources.

#### Organisational Structure

The leadership and management structure of the Trust consists of the Board of Trustees, five Committees (Finance & General Purposes, Performance Management, Provision & Achievement, Audit and Post 19), 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 union representatives and the Executive Leadership Team, and also the Trust's Safeguarding Forum.

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

Powers are delegated from the Board via a scheme of delegation. This scheme is reviewed on an annual basis.

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
- 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
- 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 Care for the Residential Provision, Head of Finance & Operations, Head of Strategy & SEN and Governance Operations Manager. In addition, other key personnel advise HELT such as the Head of HR. HELT lead and manage the Trust at an executive level, steering the direction of the

## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

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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.

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

#### Connected organisations, including related party relationships

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

#### 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.

#### **Objectives and Activities**

##### Objectives 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 further developing and continuously improving services based on the assessed needs of our pupils and students. Through our close working relationships with local schools we support our pupils 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 help prepare our students for adulthood 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.

HSAT's purpose is to strengthen and improve provision across all its Academies through sharing and developing expertise at all levels, and achieve excellent outcomes for students. It 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.

##### 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.

**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. The extensive Travel Training opportunities for all students have also increased confidence. Clubs and out-of-school activities broaden experiences and provide opportunities for the development of talents which 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.

## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

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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 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 Trust is outward thinking in its partnerships, since sharing good practice beyond the Trust academies brings new ideas. The Trust's professional credibility has enabled the academies to become part of the North East Special Schools Teaching School Partnership. In addition, the Trust is a valued Strategic Partner of the Stockton Campus 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. The development of close partnership working with other schools and providers has expanded opportunities, particularly for the post-16 student cohort. 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 appointment of 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 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'.

#### 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.

## STRATEGIC REPORT

### Achievement and Performance

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

- Abbey Hill was evaluated by Ofsted in June 2015 as *Good* in all categories. Its Sixth Form was judged as *Outstanding*.
- Green Gates Academy for 40 pupils aged 6-11 years and Westlands Academy providing for 75 students aged 11- 16 years established in September 2014, have yet to receive an Ofsted evaluation.
- However the former Westlands Academy, comprising Westlands Secondary (65 students aged 11- 16 years on the Thornaby site) and Westlands Primary (25 pupils age 6-11 at Green Gates site), had an overall judgement in January 2013 of *Requires Improvement* despite evaluations of *Good* for teaching and learning, behaviour and safety and leadership.

Since the time of these inspections, extensive and robust self-evaluation has been undertaken in both in order to help them achieve an improved Ofsted rating in their next inspections.

- Westlands Residential Provision was evaluated in January 2015 as *Outstanding* in all aspects.

On-going 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 Trust's aim to *Provide Infinite Opportunities* and its vision 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 support such as Finance, Human Resources, Premises and IT ensure the benefits of economy of scale, allows dissemination of good practice across a wide group of staff and optimises best value. Specialised professional input from Educational Psychology, Occupational Therapy, Speech and Language Therapy, the Parent Support Adviser, the Safeguarding Lead and the Professional Learning and Development Lead results in better outcomes for pupils, students, staff and our parent/carer community.

## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

The second year of the Trust 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 our Special School Partnership being officially recognised as a teaching Alliance. In addition, The Trust's involvement as a Strategic Partner within the Stockton Campus Teaching Alliance is highly valued with other schools having access and benefiting from the quality of professional development which can and is on offer within the Trust's Academies.

Management expertise and skills have supported successful capital bids to the Education Funding Agency (EFA) which have resulted in substantial improvements to the classroom provision at Westlands Academy and additional tutorial spaces at Green Gates Academy. Success in a second round of bids has resulted in the award of capital to replace the roof at Green Gates Academy and to improve and extend the dining facilities and accommodation for students at Abbey Hill 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 high level of expertise in the area of Special Educational Needs, is formally designated as a National Leader of Education, and is designated by Ofsted as an Outstanding Headteacher of an Outstanding School, 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 three Academies. In addition, the Inspection Reports relating to the Ofsted Care Inspection of Westlands' Residential Provision in January 2015 and the Ofsted Education Inspection of Abbey Hill Academy and Sixth Form in June 2015 both highlight the strengths in the effectiveness of Leadership and Management.

#### Abbey Hill Academy

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

All students have a statement of special educational need or educational health 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 (2014/2015) for Abbey Hill Academy secondary students aged 11-16 was 213.

40.3% of students are entitled to free school meals and are performing at least as well as their peers.

4.2% are Looked after Children and are performing at least as well as their peers

Most students are of White British heritage. 8.4% of students are from minority ethnic background and 4% have a first language other than English. They are performing in line with their peers.

There are significantly more boys (66%) on roll than girls (34%). Data indicates that boys are performing at the same level as the girls

Attendance is 92.2%, with 2.1% 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.

Abbey Hill Academy currently has the Investors in People Award, Leading Parent Partnership Award and the Inclusion Quality Mark (Gold level). The Achievement for All project is running for its second year.

Lessons were consistently of good quality with a proportion of them being outstanding. 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.

There are six curriculum models at Abbey Hill Academy to ensure that the diverse needs of learners are met. All models promote the use of creative and enriching opportunities to motivate learners. This contributes to their good spiritual, moral, social and cultural development. Staff at all levels promote tolerance and respect. The PSHE curriculum, tutor sessions and weekly assemblies ensures that there are regular opportunities to develop SMSC & Human Values (British Values). The curriculum's strong focus on developing students' communication skills is ensuring that progress in speaking and listening, reading and writing is at least good.

However, as reflected in the Academy Improvement Plan, there is a need to identify opportunities for students to use and apply their numeracy skills across the curriculum.



## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

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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, disadvantaged students and the few that speak English as an additional language, achieve well and make good progress, including in English and mathematics, from their starting points.

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 Academy's Outstanding Nurture Provision (as praised by Ofsted), 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 (2014/2015) for Abbey Hill Academy Sixth Form students aged 16-19 years was 86. 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.

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

Internal observations showed lesson observations as 74% Outstanding and 26% as good during 2014-15. Lesson observations by external specialists during the Trust's Validated Self Evaluation (VSE) in November 2014 judged teaching to be outstanding.

"Teaching & learning in the sixth form is outstanding. Relationships between students and staff are outstanding and staff has 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 indicators for 2014-2015 were:

KPI 1 100% group 7 pass 5 GCSE/Level 1 - Target achieved

KPI 2 60% group 7 pass 8 GCSE/Level 1 - Target exceeded with 100% of students achieving

KPI 3 85% group 5 students achieved their target grade in 8 subjects - Target exceeded with 100% of students achieving

KPI 4 100% students (13 Students) on groups 1/2/3 achieve diploma in PPU - Target achieved

KPI 5 All students in groups 1/2/3 have access to work based experience - Target achieved

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)

34.2% of our students are entitled to free school meals, 6% are looked after young people - and they are all performing in line with their peers. 63% of the cohort are male and are also performing in line with their peers. 8% of students are from ethnic minorities; and 8% 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 92.6% for 2014-15. Five students had short term exclusions in 2014/2015.

"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)

#### **Westlands Academy**

The number of students recorded on roll (2014/2015) for Westlands Academy was 75. Attendance during the session 2014-15 was 84%. Overall attendance is still below that of special schools nationally but has an improving trend during the past three years and from very low pre-admission figures (an average of 68% 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 students with pupil premium funding (72% disadvantaged, 95% through ever 6 measures) are greater than that of other students in the Academy and surpasses 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 expectation. Progress in terms of LAC outcomes is good and is currently above progress for other students within the Academy.

## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

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Outcomes for Year 11 have improved year on year. 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 90% of students have entered employment, education or training on transition. Additional support is provided for students who are struggling to engage.

Progress in Key Stage Three is very positive with 100%, 72% and 68% of students making expected progress in Science, English and Maths respectively.

Looked After Children (LAC) in Key Stage Three out perform their peers. Students who do not have a learning difficulty are performing above expectations in all core subjects. Progress is therefore evaluated as good. The Academy has introduced a literacy support programme using pupil premium money to target students who are least able in literacy (65% of students).

Lesson observations are good with an increasing number evaluated 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 and students through questionnaires on how they believe the Academy is performing. The results state that students and parents have confidence in the school.

#### Green Gates Academy

The number of pupils on roll (2014/15) was 37 (planned places of 40). All pupils have identified Social, Emotional and Mental Health difficulties. In addition, 35% of the current cohort also has a diagnosis of additional learning or other difficulties. Attendance for the session 2014 - 2015 was 95.3%.

Progress and attainment across Key Stage 1 and 2 is good with much of it outstanding. Benchmarked data with similar cohorts demonstrate that the majority of pupils are making at least expected progress across core subjects and many are exceeding expectations.

During the academic year of 2014-2015 outcomes for pupils at the end of Key Stage 1 were outstanding. End of Key Stage 2 assessments highlighted that 90% of pupils made at least two levels of progress: from Key Stage 1 to 2 in Reading, 70% in writing and 60% in numeracy.

The quality of teaching is consistently good across the Academy, with increasing numbers of lessons being rated as outstanding. 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.

The behaviour of pupils is good and in many cases outstanding. There were no exclusions during 2014-2015. Boxall profile data demonstrates that almost all pupils have made progress with managing their own emotions and behaviours. The introduction of the Incredible 5 point scale is helping pupils to understand and take responsibility for their own actions.

In January 2013 Green Gates (formally known as Westlands Primary Provision) was graded by Ofsted as good in three areas (Teaching & Learning, Behaviour & Safety, Leadership & Management) Achievement was graded as 'requires improvement'. Since becoming a separate school, Green Gates Academy has been awarded Investors in People and the Leading Parent Partnership Award.

#### **Financial Review**

Upon joining Horizons Specialist Academy Trust, each academy brought income into the Trust as a result of its school surplus balance when it converted to Academy status, in addition to private school funds. This, plus additional income generated during the first two 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.

Sheraton Choices Limited was incorporated on 15 October 2013 as a trading subsidiary of the Trust, initially being a DfE requirement post conversion to allow the continuation of Post 19 education to be delivered via a sub-contract arrangement with a local FE college. Due to legislative issues, the company has been dormant during 2013/2014 and 2014/2015 as Post 19 continued to operate through the Trust. The balance from both years of £47,115 remains within the Trust's reserves (unrestricted).

The majority of the Trust's income for the period of account is obtained from either the EFA (Education 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 2014 to 31 August 2015 total expenditure of £8,147,079 was more than covered by grant funding from the EFA 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 £765,796.

At 31 August 2015 the net book value of fixed assets was £8,167,472. 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

For the year ended 31 August 2015

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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 £2,567,000 which has been carried forward to 2015-2016. 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.

#### Financial and Risk Management Objectives and Policies

The Trust has developed a Risk Management Strategy and has a Risk Register which 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 adopted and 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. Finances are reviewed each term by the Finance and General Purposes Committee, evaluating performance against budgets and overall expenditure.

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 24 to the financial statements, represents a significant potential liability. However the Trust consider that, as each individual Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. Also, Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### 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 was increased to £600,000 in November 2014, then £650,000 in October 2015 as expenditure increased in line with the additional pupil places and funding. 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 £1,300,000. The additional funds represent an acceptable working balance to meet unexpected significant cost pressures. This will continue to be reviewed.

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 2015 the value of reserves that were freely available to the Trust was £852,102.

#### 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 six months; however opportunities will and have been taken to maximise interest generation during the year. This has been in the form of 32 days and 6 month deposit accounts.

#### **Key Financial 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.

#### **Plans for future periods**

Horizons Specialist Academy Trust has a three-year strategic plan covering 2014-2017 with specific aims and objectives for the session 2015-2016 and anticipated aims and objectives for 2016-2017. The Trust aims to improve standards in all three Academies to ensure there is evidence of, as a minimum, good teaching and that the majority of teaching from experienced teachers is outstanding. The Trust aims to improve pupil attendance in each Academy in line with national levels.

The Trust will continue to develop robust approaches to self-evaluation, specifically embedding Validated Self Evaluation using Peer Principal Reflective Partners from a wide range of high achieving specialist schools and provisions. In addition, the engagement of a highly qualified outstanding practitioner in the role of School Development Partner - formally reporting on quality of outcomes reported to the Trustees - will further enhance confidence in Quality Assurance practices.

The recently appointed range of professionals will ensure an effective and efficient Safeguarding Board. Informative approaches to address the diagnostic overlay between Safeguarding and Special Educational Needs (SEN) have been developed through the input from the Trust's Educational Psychologist and the appropriately qualified Safeguarding Lead. The Toolkit developed to ensure the views of children and young people with Special Educational Needs are accurately reflected in relevant documentation and communicated effectively in key meetings, is now being utilised by key staff. There are plans to have this effectively used by all

## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

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Trust staff and, in addition, other partner agencies have highlighted the Toolkit as an example of good practice and are interested in utilising it. The programme of Training and Development for Trustees is continually evaluated and updated to ensure that 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.

The Strategic Plan will be disseminated more widely to reflect the wide range of services associated with our Academies. Our expansion from two Academies to three 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 that the Trust's 'local offer' is clearly and appropriately articulated for all stakeholders.

Major developments at Westlands Academy during this academic year have significantly improved the learning environment and Green Gates will benefit from the additional tutorial space and the planned improvements in roofing areas. Increased numbers of pupils and students add further pressures of improving, updating and expansion. Westlands in particular would benefit from additional improved facilities for Physical Education and Sports. Abbey Hill Academy's expansion of numbers at the secondary stage from 203 to 213 students, with projected numbers for 2015-2016 of 222, has resulted in the need for additional dining facilities and teaching spaces. The development of a separate dining area and Bistro facility is planned using funding received from a successful bid to the EFA Capital Improvement Fund (CIF). In addition the Trust has identified funding to create two additional teaching areas to accommodate the needs of students with Autism Spectrum Conditions who require optimal space and options for quiet learning areas. The Trust aims to continue to improve the physical condition of each Academy through funding from the EFA Capital Improvement Fund (CIF) and other funding sources available.

The Trust will seek to secure additional funding and also commit existing funds for specific vocational developments and the provision of Sports facilities for students at Westlands Academy as these do not meet the current criteria set out in the CIF application.

The Trust aims for parental questionnaires to demonstrate that at least 90% of parents are completely satisfied and agree that the standard of service provided for their children and young people is of a high quality. 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*.

The Trust intends to extend opportunities to 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. The Trust aims to have returned student questionnaires which demonstrate that at least 93% of our pupils and students are satisfied with the level of support they receive from the Trust.

The Trust intends to continue to make full use of Academy freedoms to deliver a flexible, creative curriculum which develops vocational pathways supported by access to the Trust's Travel Training Programme, embeds our Forest School Initiative, and realises good outcomes for students.

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

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the Trust are centred around on-going changes to High Needs Funding, the processes in which the Academies receive their primary source of income from the EFA 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.

#### **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 in the Statement of Accounting Policies.

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

#### **AUDITOR**

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

## Horizons Specialist Academy Trust

### Trustees' Report

For the year ended 31 August 2015

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#### 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 17 December 2015 and signed on its behalf by:



Colin Whittaker  
Chair of Trustees

# Horizons Specialist Academy Trust

## Governance Statement

For the year ended 31 August 2015

### 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 with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustee	Meetings attended	Out of a possible
Elizabeth Home	7	7
Sharon Davison	5	7
Colin Whittaker	6	7
Maurice Jones	5	7
Linda Laidler	5	7
Margaret Arrowsmith	4	4
Graham Barker	5	7
Alan Chapman	1	6
Dr Baxi Sinha	2	4
James Bromiley	2	2
Helen Dyson	3	3

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, to ensure the sound management of the Trust's finances, staffing and resources, including proper planning, monitoring and probity. Attendance during the year at meetings of the Finance and General Purposes Committee was as follows:

Trustee	Meetings attended	Out of a possible
Elizabeth Home	5	5
Maurice Jones	6	6
Linda Laidler	6	6
Sharon Davison	4	6
Colin Whittaker	6	6

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
Margaret Arrowsmith	2	3
Graham Barker	4	4
Linda Laidler	4	4
Colin Whittaker	1	1
Dr Baxi Sinha	0	1

### Review of Value for Money

I accept that as accounting officer of Horizons Specialist Academy Trust, I am responsible and accountable for ensuring that the Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Trust's use of its resources has provided good value for money during the academic year.

### Improving Educational Outcomes

The Trust has offered a diverse curriculum to ensure all students have had the opportunity to raise their individual levels of attainment. This included accessing specialist equipment, provision of vocational opportunities and work experience, and where appropriate, procuring off-site provision. The development of skilled travel training staff within the Trust has enabled the Trust to continue to offer students access to a travel training programme providing essential lifelong skills. This provision was also used by other schools demonstrating value for money and collaboration. In addition, after school and Saturday clubs have continued to run throughout the year providing students with further opportunities to develop and learn.

## Horizons Specialist Academy Trust

Governance Statement  
For the year ended 31 August 2015

As a result of a staffing structure review and the demands faced by the Trust, additional specialist staff (see Financial Performance) were employed in key areas ensuring qualified, enthusiastic professionals were in place to meet the needs of their students. Regular and robust training and development underpins the appraisal process and staff continued to be encouraged and supported in their personal professional development.

Robust systems of tracking and recording student progress ensure timely interventions and support are targeted to student learning when it is needed. The analysis of data records indicate an upward trend in our APS over the past five years at the end of Key stage 4 at Westlands and Key stage 5 at Abbey Hill. In addition, in 2014/15, 100% of the Y11 cohort in Abbey Hill achieved accreditation in both English and Maths.

The Trust tracks attendance and behaviour of all students and works hard to identify strategies and interventions where concerns are apparent. This can be demonstrated in the upward trend in attendance at Westlands Academy.

### Financial Governance and Oversight

The Board of Trustees scheme of delegation was annually reviewed and provides clear remits and accountability at all levels across the Trust. Governance was robust throughout the year and appropriate challenge was provided by the range of professionals ensuring compliance with the provisions of the funding agreement.

The Finance and General Purposes Committee assisted the decision making of the Trust Board, enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the Trust's finances and resources. Cost savings continue to be achieved by negotiating rates for awarding contracts at more than one academy.

The Trust received support during the year from its external partners and external auditors on accounting practice and compliance. The Audit Committee received a further two very positive internal assurance reports focussing on Income and Debtors and Health and Safety. In addition, annual accounts were prepared for April – March with little warning in June due to being selected to take part in the EFA Comparison Study. This also proved to be extremely positive. Additional activities as deemed necessary were taken to provide assurance to the Trust on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes.

### Financial Performance

The Trust strives to focus on value for money and understands the value of our assets and how they can be used to increase our students' rate of progress. Staffing costs, being the largest area of spending, are reviewed regularly along with other key performance indicators and due to increasing numbers of students across each academy, changes were made to better meet the needs of the students. The accounts function continues to operate from one site rather than three ensuring a consistent and accurate approach to ordering and centralised procurement. This ensures value for money can be achieved not only in staffing but also in identifying economies of scale across the Trust.

Consideration was given to the submission of bids to the Condition Improvement Fund (CIF), and Trustees agreed to five submissions, supported by significant investment from the Trust. Two successful submissions resulted in approximately £372,000 funding to enhance the learning environment for our students at Abbey Hill Academy and Green Gates Academy.

The appointment of new posts across the trust continues to make a significant impact for the outcomes of our students. The range of professionals includes an Educational Psychologist, Speech and Language Therapist and a Lead Officer for Safeguarding who, all, at times, work across the Trust.

The Trust promotes fair competition through quotations and tenders (where necessary) in accordance with its Financial Regulations, to ensure that goods and services are secured in the most economic, efficient and effective way. This was evident in the robust procurement exercise taken in selecting a furniture supplier following the refurbishment of Westlands Academy. The Trust also works with other academies and schools to undertake cost comparisons in order to ensure value for money.

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 has endeavoured to benchmark its costs against similar organisations to identify potential areas for savings. Due to the lack of comparable data available, this has proved difficult but will continue to be explored throughout the coming year.

### 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 2015 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 2014 ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

## Horizons Specialist Academy Trust

### Governance Statement

For the year ended 31 August 2015

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#### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems 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;
- 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 the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 17 December 2015 and signed on its behalf by:



Colin Whittaker  
Chair of Trustees

Elizabeth Horne  
Accounting Officer





**Horizons Specialist Academy Trust**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date.

*Elizabeth Horne*

E Horne  
Accounting Officer

17 December 2015

## Horizons Specialist Academy Trust

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees (who act as governors of the 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 Academies Accounts Direction 2014 to 2015 issued by the Education 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 17 December 2015 and signed on its behalf by:



C Whittaker

Chair of Trustees

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

Horizons Specialist Academy Trust

Year ending on 31st August 2015

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We have audited the financial statements of Horizons Specialist Academy Trust for the year ended 31 August 2015 on pages 18-38. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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.

### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### OPINION ON FINANCIAL STATEMENTS

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

### OPINION ON OTHER REQUIREMENT OF THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

*RSM UK Audit LLP*

Kevin Rooney (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

*17 December 2015*

## Horizons Specialist Academy Trust

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

For the year ended 31st August 2015

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	1	4,145	53,037	391,560	448,742	1,427,595
Activities for generating funds	2	72,724	37,351	-	110,075	127,244
Investment income	3	7,530	-	-	7,530	2,023
Incoming resources from charitable activities:						
Academy Trust's educational operations	4	73,702	8,272,826	-	8,346,528	8,389,892
Transfer from Local Authority on conversion						6,177,587
<b>TOTAL INCOMING RESOURCES</b>		<b>158,101</b>	<b>8,363,214</b>	<b>391,560</b>	<b>8,912,875</b>	<b>16,124,341</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating funds:						
Costs of generating voluntary income	5	-	26,892	-	26,892	24,684
Fund-raising trading	5	-	25,706	-	25,706	38,188
Charitable activities:						
Academy Trust's educational operations	5, 6	7,957	7,825,293	227,754	8,061,004	7,852,704
Governance costs	5, 7	21,000	12,477	-	33,477	21,477
<b>TOTAL RESOURCES EXPENDED</b>		<b>28,957</b>	<b>7,890,368</b>	<b>227,754</b>	<b>8,147,079</b>	<b>7,937,053</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>129,144</b>	<b>472,846</b>	<b>163,806</b>	<b>765,796</b>	<b>8,187,288</b>
Gross transfers between funds	16	-	-	-	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>129,144</b>	<b>472,846</b>	<b>163,806</b>	<b>765,796</b>	<b>8,187,288</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial (losses) on defined benefit pension schemes	24	-	(44,000)	-	(44,000)	(1,051,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>129,144</b>	<b>428,846</b>	<b>163,806</b>	<b>721,796</b>	<b>7,136,288</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		722,958	(1,643,999)	8,057,329	7,136,288	-
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>16</b>	<b>852,102</b>	<b>(1,215,153)</b>	<b>8,221,135</b>	<b>7,858,084</b>	<b>7,136,288</b>

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

## Horizons Specialist Academy Trust

## BALANCE SHEET

As at 31st August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	12		8,167,472		6,862,893
<b>CURRENT ASSETS</b>					
Stocks	13	5,000		5,000	
Debtors	14	193,659		1,316,317	
Cash at bank and in hand		2,798,193		1,975,006	
		<u>2,996,852</u>		<u>3,296,323</u>	
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(739,240)</u>		<u>(615,928)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,257,612</u>		<u>2,680,395</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES EXCLUDING PENSION LIABILITY</b>			<u>10,425,084</u>		<u>9,543,288</u>
<b>Pension Scheme Liability</b>	24		<u>(2,567,000)</u>		<u>(2,407,000)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u><u>7,858,084</u></u>		<u><u>7,136,288</u></u>
<b>THE FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	16		8,221,135		8,057,329
General fund	16		1,351,847		763,001
			<u>9,572,982</u>		<u>8,820,330</u>
Restricted funds excluding pension reserve					
Pension reserve	16		<u>(2,567,000)</u>		<u>(2,407,000)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u><u>7,005,982</u></u>		<u><u>6,413,330</u></u>
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>	16		<u>852,102</u>		<u>722,958</u>
<b>TOTAL FUNDS</b>			<u><u>7,858,084</u></u>		<u><u>7,136,288</u></u>

The financial statements on pages 20 to 41 were approved by the Trustees and authorised for issue on 17 December 2015 and are signed on their behalf by:

*Elizabeth Horne*  
 E Horne  
 Accounting Officer

# Horizons Specialist Academy Trust

## CASH FLOW STATEMENT

For the year ended 31st August 2015

	<i>Notes</i>	2015 £	2014 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	1,956,430	189,842
Returns on investments and servicing of financing	20	7,530	2,023
Capital expenditure	21	(1,140,773)	1,194,437
Cash transferred on conversion to academy trust		-	588,704
INCREASE IN CASH IN THE YEAR	22	<u>823,187</u>	<u>1,975,006</u>
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER	22	1,975,006	-
Increase in cash in the year	22	<u>823,187</u>	<u>1,975,006</u>
NET FUNDS AT 31 AUGUST	22	<u>2,798,193</u>	<u>1,975,006</u>

## Horizons Specialist Academy Trust

### ACCOUNTING POLICIES

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#### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice: 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### GOING CONCERN

The Trustees assess whether the use of going concern basis of preparing the financial statements 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 charitable 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 approval of the financial statements.

#### INCOMING RESOURCES

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### GRANTS RECEIVABLE

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

#### DONATIONS

Donations are recognised on a receivable basis where there is an entitlement, certainty of receipt and the amount can be reliably measured.

#### OTHER INCOME

Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

#### INTEREST RECEIVABLE

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

#### 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 General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and the Department for Education.

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

#### DONATED SERVICES AND GIFTS IN KIND

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefited to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

## Horizons Specialist Academy Trust

### ACCOUNTING POLICIES (CONTINUED)

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#### RESOURCES EXPENDED

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### TANGIBLE FIXED ASSETS

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Long leasehold buildings and modifications	Straight line over 50 years
Plant and machinery	Straight lines over 5 years
Furniture and equipment	Straight lines over 7 years
Computer equipment and software	Straight line over 3 years
Motor vehicles and minibuses	Straight line over 7 years

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.

#### TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

#### LEASED ASSETS

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

#### STOCK

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



## Horizons Specialist Academy Trust

### ACCOUNTING POLICIES (CONTINUED)

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#### 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

# Horizons Specialist Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 2015

### 1 VOLUNTARY INCOME

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
DfE/EFA capital grants	-	-	391,560	391,560	1,371,442
Other donations	4,145	53,037	-	57,182	56,153
	<u>4,145</u>	<u>53,037</u>	<u>391,560</u>	<u>448,742</u>	<u>1,427,595</u>

### 2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted general funds £	Total 2015 £	Total 2014 £
School fund income	3,316	-	3,316	3,674
Hire of facilities	13,812	-	13,812	25,766
Catering income	38,726	-	38,726	34,197
Other income	16,870	37,351	54,221	63,607
	<u>72,724</u>	<u>37,351</u>	<u>110,075</u>	<u>127,244</u>

### 3 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	7,530	-	7,530	2,023

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA REVENUE GRANTS</b>					
General annual grant (GAG)	-	4,615,840	-	4,615,840	4,672,175
Other DfE/EFA grants	-	251,725	-	251,725	249,969
	-	4,867,565	-	4,867,565	4,922,144
<b>OTHER GOVERNMENT GRANTS</b>					
Local Authority grants	-	3,405,261	-	3,405,261	3,416,798
Non grant income	73,702	-	-	73,702	50,950
	73,702	3,405,261	-	3,478,963	3,467,748
	73,702	8,272,826	-	8,346,528	8,389,892

**5 RESOURCES EXPENDED**

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	26,892	26,892	24,684
Fund-raising trading	-	-	25,706	25,706	38,188
Academy's education operations					
Direct costs	5,114,615	227,754	457,697	5,800,066	5,715,839
Allocated support costs	1,478,668	242,069	540,201	2,260,938	2,136,865
	6,593,283	469,823	1,050,496	8,113,602	7,915,576
Governance costs	-	-	33,477	33,477	21,477
	6,593,283	469,823	1,083,973	8,147,079	7,937,053

Net incoming resources for the year is stated after charging:

	2015 £	2014 £
Operating leases:		
- other	16,503	12,804
Fees payable to RSM UK Audit LLP and its associates for:		
- audit	18,300	6,300
- other services	2,700	2,700

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**6 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	2015	2014
	£	£
<b>DIRECT COSTS</b>		
Teaching and educational support staff	5,114,615	5,075,829
Depreciation	227,754	197,996
Educational supplies	138,407	108,602
Examination fees	187,825	176,983
Staff development	48,914	66,481
Professional and hired in services	34,352	51,170
Other direct costs	48,199	38,778
	<u>5,800,066</u>	<u>5,715,839</u>
<b>ALLOCATED SUPPORT COSTS</b>		
Support staff costs	1,478,668	1,335,521
Recruitment and support	14,140	8,630
Maintenance of premises and equipment	99,795	109,938
Cleaning	9,619	8,886
Rent and rates	33,176	20,127
Energy costs	99,479	85,738
Insurance	150,049	163,175
Security and transport	53,626	66,798
Catering	207,224	201,204
Bank interest and charges	151	128
Other support costs	190,011	187,720
Pension finance cost	(75,000)	(51,000)
	<u>2,260,938</u>	<u>2,136,865</u>
	<u>8,061,004</u>	<u>7,852,704</u>

**7 GOVERNANCE COSTS**

	2015	2014
	£	£
Legal and professional fees	12,477	12,477
Auditor's remuneration		
Audit of financial statements	18,300	6,300
Other services	2,700	2,700
	<u>33,477</u>	<u>21,477</u>

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

8 STAFF COSTS	2015	2014
	£	£
Staff costs during the period were:		
Wages and salaries	5,094,018	4,966,575
Social security costs	360,697	354,999
Pension costs	860,893	754,692
	<u>6,315,608</u>	<u>6,076,266</u>
Supply staff costs	265,950	322,473
Staff restructuring costs	11,725	12,611
	<u>6,593,283</u>	<u>6,411,350</u>

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2015 FTE	2014 FTE	2015 No.	2014 No.
Teachers	51	46	53	49
Teaching assistants	61	54	80	72
Administration and support	53	48	96	85
Management	7	7	7	7
	<u>172</u>	<u>155</u>	<u>236</u>	<u>213</u>

The number of employees whose emoluments, excluding pension contributions, fell within the following bands was:

	2015 No.	2014 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1

The employees noted above participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £45,458.

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

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**9 TRUSTEES' REMUNERATION AND EXPENSES**

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff trustees under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

E Horne, the Chief Executive, received remuneration of £107,210 (2014: £111,896 for a 13 month period) and is accruing retirement benefits under the Teachers' Pension Scheme. Contributions paid in the year amounted to £15,117 (2014: £15,777 for a 13 month period).

During the year ended 31 August 2015, no expenses were reimbursed to Trustees.

Related party transactions involving the Trustees are set out in note 25.

**10 TRUSTEES' AND OFFICERS INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,137 (2014: £1,023).

The cost of this insurance is included in the total insurance cost.

**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 2014 to 31 August 2015 were as follows:

- Abbey Hill Academy - £325,242
- Westlands Academy - £138,105
- Greengates Academy - £7,262



**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**12 TANGIBLE FIXED ASSETS**

	Long leasehold buildings £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>COST</b>					
1 September 2014	6,826,366	71,403	106,904	56,216	7,060,889
Additions	1,363,254	44,506	86,799	37,774	1,532,333
<b>31 August 2015</b>	<b>8,189,620</b>	<b>115,909</b>	<b>193,703</b>	<b>93,990</b>	<b>8,593,222</b>
<b>DEPRECIATION</b>					
1 September 2014	146,055	9,765	31,786	10,390	197,996
Charge for the year	148,729	13,609	51,914	13,502	227,754
<b>31 August 2015</b>	<b>294,784</b>	<b>23,374</b>	<b>83,700</b>	<b>23,892</b>	<b>425,750</b>
<b>NET BOOK VALUE</b>					
31 August 2015	7,894,836	92,535	110,003	70,098	8,167,472
1 September 2014	6,680,311	61,638	75,118	45,826	6,862,893

**13 STOCK**

	2015 £	2014 £
Stationary stocks	5,000	5,000
	<b>5,000</b>	<b>5,000</b>

**14 DEBTORS**

	2015 £	2014 £
Trade debtors	13,108	128,461
Prepayments and accrued income	148,145	1,118,899
Other debtors	32,406	68,957
	<b>193,659</b>	<b>1,316,317</b>



**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

15 CREDITORS: Amounts falling due within one year	2015 £	2014 £
Trade creditors	39,479	26,153
Other taxation and social security	111,429	96,839
Other creditors	87,605	79,552
Accruals and deferred income	500,727	413,384
	<u>739,240</u>	<u>615,928</u>
Deferred income	2015 £	2014 £
Deferred income at 1 September	228,329	-
Resources deferred in the year	271,222	228,329
Amounts released from previous period	(228,329)	-
Deferred income at 31 August	<u>271,222</u>	<u>228,329</u>

At the balance sheet date the academy trust was holding funds received in advance of SEN top up funds relating to the year ended 31 August 2016.

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**16 FUNDS**

	At 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2015 £
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	763,001	4,615,840	(4,026,994)	-	1,351,847
Pension reserve	(2,407,000)	-	(116,000)	(44,000)	(2,567,000)
	<u>(1,643,999)</u>	<u>4,615,840</u>	<u>(4,142,994)</u>	<u>(44,000)</u>	<u>(1,215,153)</u>
Pupil Premium	-	251,725	(251,725)	-	-
Local authority grant	-	3,405,261	(3,405,261)	-	-
Other income	-	37,351	(37,351)	-	-
Other donations	-	53,037	(53,037)	-	-
	<u>(1,643,999)</u>	<u>8,363,214</u>	<u>(7,890,368)</u>	<u>(44,000)</u>	<u>(1,215,153)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE/EFA capital grants	1,371,442	391,560	-	-	1,763,002
Capital expenditure from GAG	-	-	-	-	-
Assets transferred from Local Authority	6,685,887	-	(227,754)	-	6,458,133
	<u>8,057,329</u>	<u>391,560</u>	<u>(227,754)</u>	<u>-</u>	<u>8,221,135</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>6,413,330</u>	<u>8,754,774</u>	<u>(8,118,122)</u>	<u>(44,000)</u>	<u>7,005,982</u>
<b>UNRESTRICTED FUNDS</b>					
Unrestricted funds	722,958	158,101	(28,957)	-	852,102
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>722,958</u>	<u>158,101</u>	<u>(28,957)</u>	<u>-</u>	<u>852,102</u>
<b>TOTAL FUNDS</b>	<u>7,136,288</u>	<u>8,912,875</u>	<u>(8,147,079)</u>	<u>(44,000)</u>	<u>7,858,084</u>

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

General Annual Grant - General Annual Grant must be used for the normal running of the Academy. The funding agreement does not include a limit on the GAG available to carry forward.

Other DfE/EFA grants, Local Authority grants and other income include Pupil Premium, sickness insurance income, 16-18 Bursary funding and PE teachers grant.

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

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus capital grant acquired on conversion.

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

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

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**16 FUNDS (continued)**

Analysis of Academies' by fund balance

	Total 2015 £	Total 2014 £
Abbey Hill Academy	1,764,710	1,150,155
Westlands Academy	428,979	335,804
Greengates Academy	10,260	-
<b>Total before fixed assets and pension reserve</b>	<b>2,203,949</b>	<b>1,485,959</b>
Restricted fixed asset fund	8,221,135	8,057,329
Pension reserve	(2,567,000)	(2,407,000)
	<b>7,858,084</b>	<b>7,136,288</b>

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation and FRS 17) £	Total 2015 £	Total 2014 £
Abbey Hill Academy	3,708,589	944,821	91,642	770,305	5,515,357	5,171,707
Westlands Academy	1,055,555	375,599	27,543	373,287	1,831,984	2,506,350
Greengates Academy	350,471	158,247	19,222	119,044	646,984	-
	<b>5,114,615</b>	<b>1,478,667</b>	<b>138,407</b>	<b>1,262,636</b>	<b>7,994,325</b>	<b>7,678,057</b>

During the year Westlands and Greengates Academy have been redesignated to two individual academies within the trust.

**17 ANALYSIS OF NET ASSETS  
BETWEEN FUNDS**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
Tangible fixed assets	-	-	8,167,472	8,167,472	6,862,893
Current assets	852,102	2,091,087	53,663	2,996,852	3,296,323
Current liabilities	-	(739,240)	-	(739,240)	(615,928)
Pension scheme liability	-	(2,567,000)	-	(2,567,000)	(2,407,000)
<b>TOTAL NET ASSETS</b>	<b>852,102</b>	<b>(1,215,153)</b>	<b>8,221,135</b>	<b>7,858,084</b>	<b>7,136,288</b>

**18 FINANCIAL COMMITMENTS**

**OPERATING LEASES**

At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Other:		
Expiring within one year	-	3,716
Expiring within two and five years inclusive	16,213	34,075
Expiring in over five years	-	-
	<b>16,213</b>	<b>37,791</b>

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

<b>19 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net income	765,796	8,187,288
Depreciation (note 12)	227,754	197,996
Capital grants from DfE/EFA and others	(391,560)	(1,371,442)
Interest receivable	(7,530)	(2,023)
FRS 17 pension cost less contributions payable (note 24)	191,000	112,000
FRS 17 pension finance costs (note 24)	(75,000)	(51,000)
Transfer on conversion	-	(6,177,587)
Increase in stocks	-	(5,000)
Decrease/(increase) in debtors	1,122,658	(1,316,317)
Increase in creditors	123,312	615,927
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>1,956,430</b>	<b>189,842</b>
<b>20 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Interest received	7,530	2,023
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>7,530</b>	<b>2,023</b>
<b>21 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(1,532,333)	(177,005)
Capital grants from DfE/EFA	391,560	1,371,442
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(1,140,773)</b>	<b>1,194,437</b>
<b>22 ANALYSIS OF CHANGES IN NET FUNDS</b>	<b>At 1 September 2014</b>	<b>At 31 August 2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,975,006	2,798,193
	<b>1,975,006</b>	<b>2,798,193</b>
<b>23 MEMBERS' LIABILITY</b>		

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

Horizons Specialist Academy Trust  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31st August 2015

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24 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 The Teeside Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pension Regulations require an annual accounts, the Teachers' Pension Budgeting and Valuation Accounts, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Accounts has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed nominal rate of return is 5.06%
- Rate of real earnings growth is assumed to be 2.75%
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings

During the year the employer contribution rate was 14.1%

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at 31 March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £323.831 (2014: £326.155).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**24 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August was £479,000, of which employer's contributions totalled £340,000 and employees' contribution totalled £139,000. The agreed contributions to the fund for the year ended 31 August 2016 was £352,000.

<u>Principal actuarial assumptions</u>	2015 %	2014 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment	2.0	2.1
Discount rate	3.8	3.7
Inflation (CPI)	2.0	2.1
Commutation of pensions to lump sums	2.0	2.1

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

	2015 Years	2014 Years
Retiring today:		
Males	23.0	22.9
Females	25.5	25.4
Retiring in 20 years:		
Males	25.2	25.1
Females	27.8	27.1

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**24 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

The Academy Trust's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	82.3	4,593,986	82.1	4,367,720
Government bonds	1.7	94,894	1.9	101,080
Corporate bonds	1.6	89,312	4.4	234,080
Property	6.2	346,084	5.4	287,280
Cash	6.4	357,248	3.9	207,480
Alternative assets	1.8	100,476	2.3	122,360
<b>TOTAL MARKET VALUE OF ASSETS</b>		<b>5,582,000</b>		<b>5,320,000</b>
Present value of scheme liabilities				
- Funded		(8,149,000)		(7,727,000)
<b>(DEFICIT)</b>		<b>(2,567,000)</b>		<b>(2,407,000)</b>

The actual (loss)/return on the scheme assets was (£73,000) (2014: £311,000).

Amounts recognised in the statement of financial activities	2015 £'000	2014 £'000
Current service cost	531	442
<b>Total operating charge</b>	<b>531</b>	<b>442</b>
<b>Analysis of pension finance income</b>		
Expected return on pension scheme assets	371	357
Interest on pension liabilities	(296)	(306)
<b>Pension finance income</b>	<b>75</b>	<b>51</b>

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS17 is £1,049,000 loss (2014: £1,005,000 loss).

**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

**24 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At the beginning of the period	7,727	5,869
Current service cost	531	442
Interest cost	296	306
Employee contributions	139	133
Actuarial (gain)/loss	(400)	1,005
Benefits paid	(144)	(28)
At 31 August	8,149	7,727

Movements in the fair value of Academy Trust's share of scheme assets:	2015 £'000	2014 £'000
At the beginning of the period	5,320	4,574
Expected return on assets	371	357
Actuarial loss	(444)	(46)
Employer contributions	340	330
Employee contributions	139	133
Benefits paid	(144)	(28)
At 31 August	5,582	5,320

The estimated value of employer contributions for the year ended 31 August 2016 is £352,000

The history of experience adjustments is as follows:

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(8,149)	(7,727)
Fair value of share of scheme assets	5,582	5,320
Deficit in the scheme	(2,567)	(2,407)
Experience adjustments on share of scheme assets Amount £'000	(444)	(46)
Experience adjustments on scheme liabilities: Amount £'000	-	-



**Horizons Specialist Academy Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the year ended 31st August 2015

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**25 RELATED PARTIES**

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

**26 CAPITAL COMMITMENTS**

	2015	2014
	£	£
Contracted for but not provided for in the financial statements	31,675	1,105,914

**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. The Academy Trust retained a beneficial interest in individual transactions such that £26,892 has been recognised in income and expenditure in the statement of financial activities.

**28 ULTIMATE CONTROLLING PARTY**

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members.