

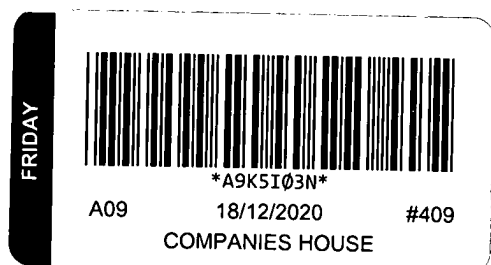
Horizon Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Forrester Boyd Robson Limited
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT



Horizon Academy Trust

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Horizon Academy Trust

Reference and Administrative Details

Members

Mr R Marsden
Mr A Simpson (resigned 25 November 2020)
Dr B Wells (resigned 25 November 2020)
Mr A Chaffey
Mrs R Robinson
Mrs M Strode (appointed 25 November 2020)
Mrs H Lacey (appointed 25 November 2020)

Chief Executive Officer

Mr M Dodd

Governors and Trustees (Directors)

Mr T Dunn, Chair (i)
Mr R Marsden, Vice Chair (i)
Mrs K Cutler, (i)
Mrs M Kermeen, (i)
Mrs S Herrick, (i)
Mr P Greef, (i)

(i) member of the Finance, Resources and Operations Committee

Horizon Academy Trust

Reference and Administrative Details (continued)

Senior Management Team Mr M Dodd, Chief Executive Officer and Accounting Officer
Mr A Rhodes, Deputy Chief Executive Officer
Mrs C Purdue, Chief Financial Officer

Principal and Registered Office Biggin Avenue
Hull
HU7 4RL

Bankers Lloyds Banking Group
1 - 7 George Street
Hull
HU1 3BB

Solicitors Langleys Solicitors LLP
Olympic House
Doddington Road
Lincoln
LN6 3SE

Company Registration Number 08411590

Auditors Forrester Boyd Robson Limited
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Horizon Academy Trust are also the directors of the charitable company for the purposes of company law. The company registration number is 8411590.

Details of the trustees who served throughout the year except as noted 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 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.

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

The company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The members may appoint up to 16 Trustees.

The total number of Trustees who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

Up to two parent governors are elected on each local governing body.

The Secretary of State may also appoint additional Trustees if he/she feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy Trust. The Secretary of State has not appointed any additional Trustees.

New Trustees may only be appointed by the members. When new Trustees or Governors are appointed, the Members and Board of Trustees, approve at that time an appropriate process and criteria for recruitment based on an analysis of the current skill and capability requirements of the Board and governance good practice at Trust level.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees are given the opportunity to tour the Trust's academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

As appointments of new Trustees are infrequent, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The Academy Trust structure now consists of three levels: the Members, the Trustees and the Local Governing Bodies.

The members are responsible for the strategic direction of the Trust and the appointment of Trustees.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, and senior staff appointments.

The Local Governing Bodies are responsible for guiding, supporting and monitoring the work of the academies in school improvement and education.

The Trustees established two new committees to support the decision making of the Board of Trustees. These committees are responsible for advising and making recommendations to the Board of Trustees.

- Finance, Resources & Operations
- Standards

The day to day leadership of the Trust is the responsibility of the Chief Executive Officer supported by the Founding Heads, Deputy Chief Executive Officer and along with the Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trust has established a pay committee comprising of Trustees who are not employees of the Trust to make decisions in relation to Headteacher, Executive Headteacher, Deputy Chief Executive Officer and Chief Executive Officer pay, in accordance with the agreed Pay Policy.

The setting of pay for centrally employed support staff is in accordance with the NJC pay scales and based on recommendations to the Trust Board by the CEO for their approval.

Connected organisations, including related party relationships

Governors are drawn from the local community and from time to time it is possible that the Academy Trust will enter into transactions with organisations in which a Trustee or Governor has an interest. All such transactions are reflected in the Trusts' Register of Business Interests. These are duly considered by the Board of Trustees on a regular basis to ensure all such transactions are in line with the Academies Handbook requirements.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Engagement with employees (including disabled persons)

Horizon Academy Trust uses several avenues to achieve meaningful employee consultation. Senior leaders regularly meet with teachers through staff development meetings and hold regular meetings with support and administrative staff. This ensures all employees are kept up-to-date with issues that affect them.

The Trust's CEO works in close partnership with the recognised trade unions through a Joint Consultative Committee, which meet each term. This mechanism is used to address employee's welfare and conditions of employment. The trade union representatives on the JCC meet with school staff to keep them informed of issues that transpires from these meetings as well as their work within the trust.

The Trust considers the wellbeing of staff to be critical to its success and, to this end, is in the final stages of developing a wellbeing charter. Throughout the Covid-19 pandemic the Trust has actively engaged with employees to signpost services which are available to them for support. This includes areas such as emotional support, financial hardship support and general mindfulness.

The Finance, Resources & Operations Committee have adopted a Single Equality Scheme. Within this policy equality objectives have been set including information of disabled persons. There is no specific policy on the employment of disabled people as race, gender and disability are treated with equal weighting. As part of the monitoring information, under the Equality Act 2010 for pay progression which is contained within the Model Pay Policy are reports to be submitted to the Local Governing Body as part of the Equal Opportunities monitoring system – this again includes staff who may have classified themselves as disabled. Employees invited to an interview as part of the recruitment and selection procedures are asked for any special requirements to ensure that they are not put at any disadvantage.

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

Horizon Academy Trust recognises that we serve a wide range of stakeholders including, but not limited to, suppliers, funding agencies and government departments, the local authority, parents and pupils and the wider community surrounding our academies. During Covid-19 the need to have established working relationships with all our stakeholders became crucial to our ability to operate and remain functional during the ongoing crisis.

The Trust has engaged with these stakeholders throughout the year by:

- Committing to open discussion with suppliers where services were impacted by lockdown, working with them to continue to provide these services remotely where possible. Critical supply services such as speech and language therapy and SEN support were able to be continued to ensure that our primary purpose as an educator would not be severely impacted in the longer term.
- Working alongside our educational service providers to move over quickly to providing online content for our pupils at home during the initial lockdown period.
- Following all guidance from central government on maintaining the opening of our academies to vulnerable and key worker children and providing ongoing attendance information.
- Engaging with charities such as Fareshare and other local charitable organisations to provide support to our most vulnerable families.
- Accessing the national food voucher scheme and providing help and support to parents in accessing and utilising the service.
- Providing regular updates and information to parents via the academy websites and newsletters.
- Connecting with other local academy trusts and the local authority via the city's Learning Partnership on a regular basis to ensure a consistent city-wide approach.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Objectives and activities

Objects and aims

Principal Activities

In accordance with the articles of association the charitable company has entered into a Master Funding Agreement approved by the Secretary of State for Education. The Master Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the National Curriculum.

The principal object and activity of the charitable company is the operation of Horizon Academy Trust to advance, for the public benefit, education for pupils aged 3-11.

Objectives, strategies and activities

The main objectives of Horizon Academy Trust during the period ended 31 August 2020 are summarised below:

Leadership and Governance

- A) To facilitate the exercising of the Trust Board's statutory duties in respect of vision, finance, accountability and safeguarding
- B) To facilitate the engagement of the leadership of each Trust school to make an active and sustained contribution to the Trust
- C) To continue to develop sustainability and to build the capacity of the leadership of the Trust

School Improvement

- A) To continue to develop the school to school peer support model of school improvement across the Trust
- B) To continue to develop the work of the teaching school (Tidal) in delivering quality school improvement, both within and beyond the Trust
- C) To rigorously externally validate the systems and processes of school improvement within the Trust

Outcomes

- A) To continue to develop a curriculum that is relevant and purposeful for all children
- B) To strive to achieve at least national outcomes across the Trust
- C) To provide high quality teaching to all pupils, including those who are disadvantaged and with SEND

Financial Probity and Central Services

- A) To secure value for money
- B) To centralise relevant services across the Trust
- C) To maximise efficiencies and to reduce workload across the Trust

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Public benefit

The Horizon Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The primary purpose of Horizon Academy Trust is the advancement of education within Hull and the surrounding area. To this end, it now runs six academies aspiring towards the highest possible standards for over approximately 3,000 students aged 3-11.

Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of educational activities and extracurricular activities, the Academy Trust aims to contribute considerable benefit to the local community.

The Trust involves the community in the following activities:

- Access to sport facilities
- Family learning opportunities
- Adult learning opportunities
- Out of school events and activities

The Trust has given a high priority to providing public benefit to a cross section of the community, but perhaps the greatest benefit that the Trust can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievements and performance

Key performance indicators

- Biggin Hill Primary School is currently judged by OFSTED to be Outstanding
- Cleeve Primary School is currently judged by OFSTED to be Good
- Spring Cottage Primary School is currently judged by OFSTED to be Outstanding
- Thanet Primary School is currently judged by OFSTED to be Requires Improvement
- Gillshill Primary School is currently judged by OFSTED to be Outstanding
- Cavendish Primary School is currently judged by OFSTED to be Inadequate

With the Trust sponsorship of Cavendish Primary, a new leadership structure is in place which will see an impact in standards being at least good across the school within the expected timeframe of two academic years. An experienced NLE is now Executive Head for the school and the Trust has delegated responsibility to the CEO for holding the leadership to account.

As a result of Covid-19 and the cancellation of both the KS2 SATS and phonics screening, there are no published results for 2019-20 that can be provided.

Below you will find our results from the 2018-19 academic year:

Early Years Foundation Stage

	Biggin Hill	Cleeve	Spring Cottage	Thanet	Cavendish
Good Level of Development	72%	70%	75%	62%	72%
	Gillshill	National			
	75%	72%			

End of Key Stage 1

	Biggin Hill	Cleeve	Spring Cottage	Thanet	Cavendish
Reading	73%	76%	82%	75%	72%
Writing	66%	71%	77%	67%	72%
Mathematics	79%	76%	82%	72%	70%
	Gillshill	National			
	79%	75%			
	72%	70%			
	79%	76%			

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

End of Key Stage 2

	Biggin Hill	Cleeve	Spring Cottage	Thanet	Cavendish
Reading	92%	84%	80%	68%	83%
Writing	89%	84%	91%	79%	74%
Mathematics	97%	84%	89%	68%	88%
Grammar, Punctuation and Spelling	93%	81%	84%	68%	90%
Reading, Writing and Mathematics	89%	82%	76%	61%	64%
	Gillshill	National			
	76%	73%			
	87%	78%			
	92%	79%			
	95%	78%			
	73%	65%			

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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.

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2020, total expenditure of £15,890,647 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £14,382,102 (excluding capital grants). The excess of expenditure over income for the period was £1,508,545. If depreciation and FRS 102 pension adjustments were excluded the surplus would be £249,499.

At 31 August 2020 the net book value of fixed assets was £31,365,212 and movements in tangible fixed assets are shown in note 12 to the financial statements.

The Academy Trust's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £8,545,000.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

A breakdown of the funds at 31 August 2020 is as follows:-

	£
Unrestricted general fund	1,262,150
Restricted general fund	697,852
Restricted fixed asset fund	34,012,426
Restricted pension fund	(8,545,000)
Total funds	<u>27,427,428</u>

Investment policy

The Trustees agree all investments made by the academies. Biggin Hill Primary School has invested surplus funds as per the investment policy. The Academy Trust will seek to hold adequate cash reserves for the day to day running of the School in line with the reserves policy.

Principal risks and uncertainties

The principal risk and uncertainties are centered around changes in the level of funding from the DfE/ESFA. In addition, the Academy Trust is a member of the Local Government Pension (LGPS), which may result in significant movements each year.

Promoting the success of the academy

The Trust strategic plan outlines the medium-term strategic objective for expansion, to include other good and/or outstanding providers. The Trust is currently developing its outward facing appearance to build positive relations with a view to achieving this objective, but also to develop its desire to work collaboratively with external partners and to share its successes. It is doing this through:

- positive media strategies such as attending the Parliamentary Review in London
- developing the external user interface of its services through the Trust and school websites
- further developing the links with the ERYC where it is likely that new partnerships would be formed
- tasking senior School Improvement staff to foster collegiate relationships with a view to formalising support

Fundraising

All academies within Horizon Academy Trust occasionally organise fundraising events such as fairs, fetes, cake sales and other activities. Horizon Academy Trust does not use professional fundraisers or involve commercial participators in our fundraising practices. There have been no complaints about fundraising activity this year.

All academies within the Trust comply with the Charities Commission guidance on fundraising. Marketing of fundraising activities is generally through school channels such as texts/letters to parents/carers or notices on the school noticeboard.

Covid-19 impacted on the ability of our schools to hold some of our fundraising events in the year, such as summer and Easter fairs. We hope to be able to innovate in our fundraising techniques to raise much needed funds for the schools.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Risk management

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. Key risks have been identified below:

Key Risks Identified:

- Staff retention: This is possibly the biggest single risk and would lie in failure to retain key staff, in particular the members of the Senior Leadership teams however there are not deemed to be any immediate threats in this regard.
- Material decrease in funding: a reduction in academy funding in real terms is expected over the coming years. However, the introduction of the National Funding Formula has increased funding in cash terms at each of the academies in the Trust. Wherever possible academies are encouraged to generate their own additional income streams.
- Falling student numbers: the majority of our academies are currently running close to capacity, with outstanding and good Ofsted ratings across the majority of academies within the Trust. The Trust is hopeful student numbers will be maintained. Our supported academy, Cavendish Primary School, faces the greatest exposure to this risk due to its current Ofsted rating and attracting new pupils to the school remains a challenge.
- Cashflows: the Academies cashflows are in good health. The long-term financial plan suggests that the cashflows will need careful regard in the long term to face the budgetary pressures across schools.
- Staff recruitment: conversion to a multi academy trust has not affected the attractiveness of the Trust for potential new staff. Falling numbers of teaching graduates is a concern to the Trustees and the Trust is committed to attracting quality teaching professionals.
- Staffing pay increases: removal of the public sector pay caps which previously existed has increased the vulnerability in the determination of national pay awards for both teaching and support staff. The Trust continues to adopt the national guidelines in setting its pay policy and adopts a prudent approach to budgeting for pay increases.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 01 September 2019 to 31 August 2020

	2020
Energy consumption used to calculate emissions (kWh)	3,045,110
Energy consumption break down (kWh)	
Gas	2,353,700
Electricity	674,210
Transport fuel	17,200
Scope 1 emissions in metric tonnes CO2e	
Owned transport - mini-buses	2.72
Gas consumption	432.78
Total scope 1	435.50
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	157.19
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	1.46
Total gross emissions in metric tonnes CO2e	594.15
Intensity ratio	
Tonnes CO2e per pupil	0.21

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

In the summer of 2020, Biggin Hill Primary School had a CIF-funded flat roof replacement, thus improving the building envelope and reducing heat loss.

Thanet Primary School have introduced a policy of replacing expired fluorescent lights with LED lamps, reducing electrical energy consumption.

All six schools have AMR smart metering installed to gas and electricity supplies, ensuring that (a) estimated bills are eliminated and (b) that energy monitoring can be carried out accurately. Half-Hourly electricity data is available free of charge for Cavendish/Gillshill, Cleeve, Biggin Hill and one of Thanet's 2 electricity supplies. Spring Cottage Primary School and the smaller of Thanet Primary School's 2 supplies does not have HH metering installed. High-frequency gas data is available, but schools would have to pay the supplier, should it be required.

All schools have covered energy efficiency in some form within the curriculum, this involved looking at re-usable energy and benefits of recycling. Children have been taught that the simplest of actions, such as turning off lights after leaving a room, do all add up to make a difference.

Horizon Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Plans for future periods

The Academy Trust will continue striving to improve the levels of performance of its students at all levels by ensuring that the main objectives are achieved.

- The Academy Trust will continue to improve outcomes for all pupils and diminish the gap between disadvantaged and other pupils.
- The Trust will consolidate its position with the current six academies within it and work towards improving the delivery of education across the supported academy which joined the Trust in July 2019.
- A commitment to improving recruitment into the profession and retaining key personnel through high-quality professional development and career opportunities. This will encompass succession planning as the Trustees respond to developments with the Academy Trust.

Employment of disabled persons

The Finance, Resources & Operations Committee on the 17 July 2018 adopted a Single Equality Scheme. Within this policy equality objectives have been set including information of disabled persons. There is no specific policy on the employment of disabled people as race, gender and disability are treated with equal weighting. As part of the monitoring information, under the Equality Act 2010 for pay progression which is contained within the Model Pay Policy are reports to be submitted to the Local Governing Body as part of the Equal Opportunities monitoring system – this again includes staff who may have classified themselves as disabled. Employees invited to an interview as part of the recruitment and selection procedures are asked for any special requirements to ensure that they are not put at any disadvantage.

Description of employee consultation

Horizon Academy Trust uses several avenues to achieve meaningful employee consultation. Senior leaders regularly meet with teachers through staff development meetings and hold regular meetings with support and administrative staff. This ensures all employees are kept up-to-date with issues that affect them.

The trust's CEO works in close partnership with the recognised trade unions through a Joint Consultative Committee, which meet each half term. This mechanism is used to address employee's welfare and conditions of employment. The trade union representatives on the JCC meet with school staff to keep them informed of issues that transpires from these meetings as well as their work within the trust.

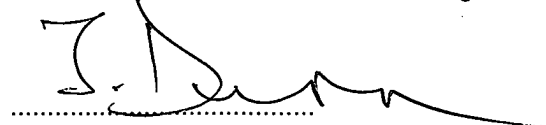
All academies who join the trust undertake a formal consultation process that includes all staff working in the school, trade union representatives, the trust's HR provider and senior leaders of the trust.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 10 December 2020 and signed on its behalf by:



Mr T Dunn
Governor and trustee

Horizon Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Horizon Academy 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 Mr M Dodd, 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 Horizon Academy 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Dunn	5	5
Mrs M Kermeen	4	5
Mrs K Cutler	5	5
Mr P Greef	4	5
Mr R Marsden	5	5
Mrs S Herrick	4	5

Effective oversight of funds

As a smaller multi academy trust we have found that our trustees have maintained effective oversight of funds, with less than six meetings a year, by making our communication channels work efficiently. From 2020-21 the finance and resources committee will meet six times a year. This change was due to take place in 2019-20 but the impact of Covid -19 resulted in this not being enabled. Both the Chair of Trustees, and all other remaining Trustees, are issued with monthly management accounts through electronic means. These monthly management accounts consist of an income and expenditure report including variance analysis, balance sheet, cash flow report, key performance indicators and a narrative commentary which assists the trustee by giving a summary of the more detailed information. All Trustees are invited to comment at any point in the year on any of the information supplied in the management accounts, including outside of scheduled meetings.

Horizon Academy Trust

Governance Statement (continued)

The Finance, Resources and Operations Committee is a sub-committee of the main board of trustees. Its purpose is to monitor closely the financial performance of the Academy and to review all policies and practices relating to these areas. Attendance at meetings during the year was as follows: Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs K Cutler	2	2
Mr T Dunn	2	2
Mr R Marsden	2	2
Mrs M Kermeen	2	2
Mr P Greef	2	2
Mrs S Herrick	2	2

Review of value for money

As accounting officer the governor and trustee has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Reviewing school improvement across the Trust and implementing action plans within the academies.
- Procuring insurance through the risk protection arrangements resulting in a cost saving to the academies.
- Extending the provision of in-house catering to all of the academies within the Trust with a view to making cost efficiencies.
- Procuring the services of a regional firm of surveyors to provide advice and support on CIF funding bids resulting in 7 out of 12 projects being awarded project funding.
- Procurement of a new payroll provider with portal access which will result in a cost saving as well as in time and efficiencies, starting in November 2020.
- Procurement of a new cloud based MIS system with integrated features such as online payments, communications and assessment resulting in savings on third party providers.
- Recruitment of a Leader of Learning, to start in post from September 2020, to work alongside the Deputy Chief Executive Officer to deliver strong school improvement across the Trust.
- Recruitment of a Trust clerk, to start in post from September 2020, to provide governance services across all academies and to improve the flow of information throughout the levels of management.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Horizon Academy Trust for the year ended 31 August 2020 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Horizon Academy Trust

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Resources 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.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Forrester Boyd Robson, the external auditor, to perform additional checks

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

- Review of month end procedures and reporting
- Review of high level controls, governance and website
- Review of income controls
- Review of payroll controls
- Review of purchasing systems
- Review of bank procedures

On a regular basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities.

There were no material control or other issues reported by the external auditor to date.

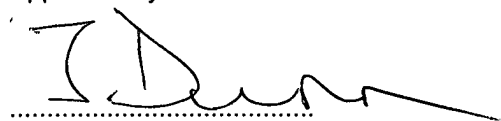
Review of effectiveness

As Accounting Officer, Mr M Dodd has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resources and Operations Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2020 and signed on its behalf by:



Mr T Dunn
Governor and trustee

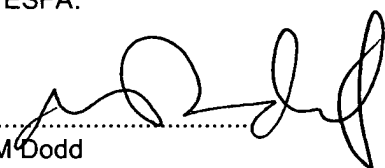
Horizon Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Horizon Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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



.....

Mr M Dodd
Accounting officer

10 December 2020

Horizon Academy Trust

Statement of Trustees' Responsibilities

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

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

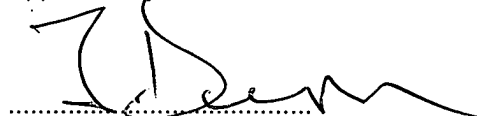
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 10 December 2020 and signed on its behalf by:



Mr T Dunn
Governor and trustee

Horizon Academy Trust

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Horizon Academy Trust

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Horizon Academy Trust

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

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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



Michael Beckett BA FCA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: 15/12/2020

Horizon Academy Trust

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

In accordance with the terms of our engagement letter dated 2 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizon Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 28 March 2013 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Horizon Academy Trust

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

Forrester Boyd Robson Limited

Michael Beckett BA FCA

For and on behalf of Forrester Boyd Robson Limited, Chartered Accountants

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: *15/12/2020*

Horizon Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	85,227	-	3,227,316	3,312,543
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	13,676,790	-	13,676,790
Other trading activities	4	617,663	-	-	617,663
Investments	5	2,422	-	-	2,422
Total		705,312	13,676,790	3,227,316	17,609,418
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	471,988	14,597,960	820,699	15,890,647
Net income/(expenditure)		233,324	(921,170)	2,406,617	1,718,771
Transfers between funds		(173,630)	130,000	43,630	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	(959,000)	-	(959,000)
Net movement in funds/(deficit)		59,694	(1,750,170)	2,450,247	759,771
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		1,202,456	(6,096,978)	31,562,179	26,667,657
Total funds/(deficit) carried forward at 31 August 2020		1,262,150	(7,847,148)	34,012,426	27,427,428

Horizon Academy Trust

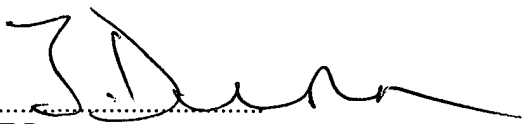
Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	154,443	-	114,462	268,905
Transfer from local authority on conversion		662,438	(1,293,000)	10,434,475	9,803,913
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	9,913,378	-	9,913,378
Other trading activities	4	570,939	-	-	570,939
Investments	5	2,713	-	-	2,713
Total		1,390,533	8,620,378	10,548,937	20,559,848
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	432,755	10,567,826	592,288	11,592,869
Net income/(expenditure)		957,778	(1,947,448)	9,956,649	8,966,979
Transfers between funds		(207,239)	171,716	35,523	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	(1,891,000)	-	(1,891,000)
Net movement in funds/(deficit)		750,539	(3,666,732)	9,992,172	7,075,979
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		451,917	(2,430,246)	21,570,007	19,591,678
Total funds/(deficit) carried forward at 31 August 2019		1,202,456	(6,096,978)	31,562,179	26,667,657

Horizon Academy Trust
(Registration number: 08411590)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	31,365,212	31,493,635
Current assets			
Debtors	13	3,274,447	983,667
Cash at bank and in hand		<u>2,758,224</u>	<u>1,868,194</u>
		6,032,671	2,851,861
Creditors: Amounts falling due within one year	14	<u>(1,425,455)</u>	<u>(1,094,839)</u>
Net current assets		<u>4,607,216</u>	<u>1,757,022</u>
Total assets less current liabilities		<u>35,972,428</u>	<u>33,250,657</u>
Net assets excluding pension liability		35,972,428	33,250,657
Pension scheme liability	25	<u>(8,545,000)</u>	<u>(6,583,000)</u>
Net assets including pension liability		<u><u>27,427,428</u></u>	<u><u>26,667,657</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		697,852	486,022
Restricted fixed asset fund		34,012,426	31,562,179
Restricted pension fund		<u>(8,545,000)</u>	<u>(6,583,000)</u>
		26,165,278	25,465,201
Unrestricted funds			
Unrestricted general fund		<u>1,262,150</u>	<u>1,202,456</u>
Total funds		<u><u>27,427,428</u></u>	<u><u>26,667,657</u></u>

The financial statements on pages 24 to 51 were approved by the Trustees, and authorised for issue on 10 December 2020 and signed on their behalf by:



 Mr T Dunn
 Governor and trustee

Horizon Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Net cash (outflow)/inflow from operating activities	19	(1,713,087)	11,624,375
Cash transferred on conversion to an academy trust		-	(662,438)
Returns on investments and servicing of finance		2,422	2,713
Cash flows investing activities	20	<u>2,600,695</u>	<u>(10,421,337)</u>
Increase in cash in the year	21	<u>890,030</u>	<u>543,313</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

General information

The academy trust is a private company limited by guarantee and incorporated in England and Wales and the company registration number is 08411590.

The address of its registered office is:

Biggin Hill Primary School

Biggin Avenue

Hull

HU7 4RL

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

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

Going concern

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

Income

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

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer on conversion

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

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Donated fixed assets

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

Asset class

Freehold Land

Freehold Buildings

Leasehold Land

Leasehold Buildings

Improvements to Leasehold Land & Buildings

Depreciation method and rate

nil

2% straight line

Over the residual period of the lease
(125 years)

2% straight line

4% and 10% straight line

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Computer Equipment	33% straight line
Furniture & Equipment	20% straight line

Liabilities

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

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Educational trips and visits	54,271	-	54,271	83,083
Capital grants	-	3,227,316	3,227,316	114,462
Other donations	30,956	-	30,956	71,360
	<u>85,227</u>	<u>3,227,316</u>	<u>3,312,543</u>	<u>268,905</u>

The income from donations and capital grants was £3,312,543 (2019: £268,905) of which £85,227 was unrestricted (2019: £154,443), £Nil restricted (2019: £Nil) and £3,227,316 restricted fixed assets (2019: £114,462).

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General Annual Grant	10,286,777	10,286,777	7,693,510
Pupil Premium	1,061,419	1,061,419	966,756
UIFSM	261,911	261,911	223,102
Other ESFA grants	258,299	258,299	164,730
Teacher pay and pension grants	535,144	535,144	63,709
	<u>12,403,550</u>	<u>12,403,550</u>	<u>9,111,807</u>
Other government grants			
Local authority grants	1,247,622	1,247,622	778,499
Exceptional government funding			
Coronavirus exceptional support	25,618	25,618	-
Non-government grants and other income			
Other grants	-	-	23,072
Total grants	<u>13,676,790</u>	<u>13,676,790</u>	<u>9,913,378</u>

The funding for educational operations was £13,676,790 (2019: £9,913,378) of which £Nil was unrestricted (2019: £Nil), £13,676,790 restricted (2019: £9,913,378) and £Nil restricted fixed assets (2019: £Nil).

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	12,809	12,809	15,681
Catering income	201,454	201,454	177,054
Recharges and reimbursements	84,267	84,267	77,318
Other income	319,133	319,133	300,886
	<u>617,663</u>	<u>617,663</u>	<u>570,939</u>

The income from other trading activities was £617,663 (2019: £570,939) of which £617,663 was unrestricted (2019: £570,939), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Interest Received	2,422	2,422	2,713

The income from investments was £2,422 (2019: £2,713) of which £2,422 was unrestricted (2019: £2,713), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

6 Resources expended

	Non Pay Expenditure			2019/20 Total £	2018/19 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	9,909,263	720,906	656,417	11,286,586	8,377,058
Allocated support costs	<u>3,110,509</u>	<u>536,116</u>	<u>957,436</u>	<u>4,604,061</u>	<u>3,215,811</u>
	<u>13,019,772</u>	<u>1,257,022</u>	<u>1,613,853</u>	<u>15,890,647</u>	<u>11,592,869</u>

Net incoming/outgoing resources for the year include:

	2020 £	2019 £
Operating leases:		
Operating leases - other leases	51,679	33,469
Fees payable to auditor - audit	16,000	16,000
- other audit services	5,400	2,800
Depreciation	<u>755,044</u>	<u>592,288</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities

		2019/20 £	2018/19 £
Direct costs - educational operations		11,286,586	8,377,058
Support costs - educational operations		4,604,061	3,215,811
		<u>15,890,647</u>	<u>11,592,869</u>
	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	3,110,509	3,110,509	1,917,153
Depreciation	34,138	34,138	40,057
Premises costs	501,978	501,978	405,509
Other support costs	957,436	957,436	853,092
Total support costs	<u>4,604,061</u>	<u>4,604,061</u>	<u>3,215,811</u>

8 Staff

Staff costs

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	9,254,068	6,805,524
Social security costs	789,383	580,845
Pension costs	2,842,079	1,677,562
	<u>12,885,530</u>	<u>9,063,931</u>
Supply staff costs	134,242	82,070
	<u>13,019,772</u>	<u>9,146,001</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £Nil).

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Staff numbers

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

	2020 No	2019 No
Charitable Activities		
Teachers	129	138
Administration and support	338	330
Management	5	4
	<u>472</u>	<u>472</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2020 No	2019 No
£60,001 - £70,000	-	1
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

The above disclosure is based on a remuneration for a 12 month period.

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 2.

The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to Horizon Academy Trust for the year ended 31 August 2019 was £332,386 (2018: £320,748).

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Provision of the services of a Chief Financial Officer and Chief Executive Officer
- School Improvement
- Human Resources
- Clerking
- Audit, pension and legal services
- Provision of finance and budgeting systems

The trust charges for these services on the following basis:

- For 2019-20 the Trust charged for central services based on a ratio appropriate to the cost element. These included apportioning costs based on staff numbers, GAG ratio and fixed cost basis dependant on the service being charged for.

The actual amounts charged during the year were as follows:

	2020
	£
Biggin Hill Primary School	65,904
Cavendish Primary School	58,932
Cleeve Primary School	57,372
Gillshill Primary School	49,728
Spring Cottage Primary School	54,168
Thanet Primary School	55,644
	<hr/>
	341,748
	<hr/>

10 Related party transactions - trustees' remuneration and expenses

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

Mr A Chaffey (Chief Executive Officer):

Remuneration: £Nil (2019 - £5,000 - £10,000)

Employer's pension contributions: £Nil (2019 - £Nil)

Mr M Dodd (Executive Head Teacher):

Remuneration: £105,000 - £110,000 (2019 - £65,000 - £70,000)

Employer's pension contributions: £25,000 - £30,000 (2019 - £10,000 - £15,000)

The above remuneration for A Chaffey in 2020 is for a nil month (2019: 4 month) period.

The above remuneration for M Dodd in 2020 is for a 12 month (2019: 8 month) period.

During the year ended 31 August 2020, travel and subsistence expenses totalling £713 (2019 - £Nil) were reimbursed or paid directly to 1 trustees (2019 - 0).

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

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Improvements to Leasehold Land and Buildings £	Total £
Cost						
At 1 September 2019	5,909,252	25,849,489	118,080	222,358	975,152	33,074,331
Additions	-	-	44,263	45,648	536,710	626,621
At 31 August 2020	<u>5,909,252</u>	<u>25,849,489</u>	<u>162,343</u>	<u>268,006</u>	<u>1,511,862</u>	<u>33,700,952</u>
Depreciation						
At 1 September 2019	203,058	926,657	75,828	172,901	202,252	1,580,696
Charge for the year	<u>110,759</u>	<u>499,343</u>	<u>23,330</u>	<u>34,138</u>	<u>87,474</u>	<u>755,044</u>
At 31 August 2020	<u>313,817</u>	<u>1,426,000</u>	<u>99,158</u>	<u>207,039</u>	<u>289,726</u>	<u>2,335,740</u>
Net book value						
At 31 August 2020	<u>5,595,435</u>	<u>24,423,489</u>	<u>63,185</u>	<u>60,967</u>	<u>1,222,136</u>	<u>31,365,212</u>
At 31 August 2019	<u>5,706,194</u>	<u>24,922,832</u>	<u>42,252</u>	<u>49,457</u>	<u>772,900</u>	<u>31,493,635</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Tangible fixed assets (continued)

Included within leasehold land and buildings is £24,423,489 (2019: £24,922,832) relating to long leasehold land and buildings.

The leasehold land and buildings at Biggin Avenue was donated to the trust at a value of £5,355,000 in the period ended 31 August 2014 per a valuation in October 2013 by Eddisons Chartered Surveyors.

The leasehold land and buildings at Wawne Road (Cleeve Primary School) was transferred to the trust at a value of £4,147,191 in the period ended 31 August 2017 per depreciated cost recognised in the period ended 30 April 2017 Financial Statements for Cleeve Primary School.

The leasehold land and buildings at Dressay Grove (Spring Cottage Primary School) was transferred to the trust at a value of £5,912,823 in the period ended 31 August 2017 per depreciated cost recognised in the period ended 30 April 2017 Financial Statements for Spring Cottage Academy.

The freehold land and buildings at Tedworth Road (Thanet Primary School) was donated to the trust at a value of £5,909,252 in the period ended 31 August 2018 per a valuation in November 2017 by NPS Humber Ltd.

The leasehold land and buildings at Cavendish Road (Cavendish Primary School) was donated to the trust at a value of £5,471,907 in the period ended 31 August 2019 per a valuation in July 2019 by NPS Humber Ltd.

The leasehold land and buildings at Cavendish Road (Gillshill Primary School) was donated to the trust at a value of £4,962,568 in the period ended 31 August 2019 per a valuation in July 2019 by NPS Humber Ltd.

There are formal leases in place with the local authority for 125 years for all of the above land and buildings at £nil rental. As the academy trust holds the risks and rewards of the buildings, the assets have been included on the basis of substance over legal form.

13 Debtors

	2020 £	2019 £
Trade debtors	7,085	3,611
Prepayments	148,184	156,529
Accrued grant and other income	3,069,345	765,049
VAT recoverable	49,833	58,478
	<u>3,274,447</u>	<u>983,667</u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	251,312	352,418
Other taxation and social security	175,609	170,777
Other creditors	2,861	3,196
Pension scheme creditor	214,132	179,477
Accruals	571,719	155,125
Deferred income	209,822	233,846
	<u>1,425,455</u>	<u>1,094,839</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Creditors: amounts falling due within one year (continued)

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	233,846	225,348
Resources deferred in the period	209,822	233,846
Amounts released from previous periods	<u>(233,846)</u>	<u>(225,348)</u>
Deferred income at 31 August 2020	<u>209,822</u>	<u>233,846</u>

Deferred income relates to Universal Free School Meal funding received in July 2020, rates relief claim funding received in advance and staffing recharges for the period September 2020 to March 2021.

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	498,035	10,286,777	(10,237,268)	133,061	680,605
Pupil Premium	-	1,061,419	(1,061,419)	-	-
Local authority grants	-	1,247,622	(1,247,622)	-	-
UFSM	-	261,911	(261,911)	-	-
Other ESFA grants	29,819	258,299	(225,978)	(44,893)	17,247
Transfer of Funds from Existing Academies into the Trust	(41,832)	-	-	41,832	-
Teacher pay and pension grants	-	535,144	(535,144)	-	-
Coronavirus exceptional support	-	25,618	(25,618)	-	-
	<u>486,022</u>	<u>13,676,790</u>	<u>(13,594,960)</u>	<u>130,000</u>	<u>697,852</u>
Restricted fixed asset funds					
Donated Assets from Local Authority	21,051,445	-	(403,688)	-	20,647,757
Capital grants and expenditure from GAG	345,984	128,575	(69,292)	43,630	448,897
Transfer of Assets from Existing Academies into the Trust	10,164,750	-	(280,558)	-	9,884,192
Condition Improvement Fund	-	3,098,741	(67,161)	-	3,031,580
	<u>31,562,179</u>	<u>3,227,316</u>	<u>(820,699)</u>	<u>43,630</u>	<u>34,012,426</u>
Restricted pension funds					
Pension Liability	(1,431,000)	-	(232,000)	(368,000)	(2,031,000)
Transfer of Pension Liabilities from Existing Academies into the Trust	(2,626,000)	-	(390,000)	(303,000)	(3,319,000)
Transfer of Pension Liabilities from Local Authority	(2,526,000)	-	(381,000)	(288,000)	(3,195,000)
	<u>(6,583,000)</u>	<u>-</u>	<u>(1,003,000)</u>	<u>(959,000)</u>	<u>(8,545,000)</u>
Total restricted funds	25,465,201	16,904,106	(15,418,659)	(785,370)	26,165,278
Unrestricted funds					
Unrestricted general funds	<u>1,202,456</u>	<u>705,312</u>	<u>(471,988)</u>	<u>(173,630)</u>	<u>1,262,150</u>
Total funds	<u>26,667,657</u>	<u>17,609,418</u>	<u>(15,890,647)</u>	<u>(959,000)</u>	<u>27,427,428</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	307,276	7,693,510	(7,852,387)	349,636	498,035
Pupil Premium	-	966,756	(966,756)	-	-
Local authority grants	-	778,499	(778,499)	-	-
UIFSM	-	223,102	(223,102)	-	-
Other ESFA grants	390	228,439	(199,010)	-	29,819
Transfer of Funds from Local Authority	177,920	-	-	(177,920)	-
Transfer of Funds from Existing Academies into the Trust	(41,832)	-	-	-	(41,832)
Other non-government grants	-	23,072	(23,072)	-	-
	<u>443,754</u>	<u>9,913,378</u>	<u>(10,042,826)</u>	<u>171,716</u>	<u>486,022</u>
Restricted fixed asset funds					
Donated Assets from Local Authority	10,855,045	10,434,475	(238,075)	-	21,051,445
Capital grants and expenditure from GAG	252,984	114,462	(56,985)	35,523	345,984
Transfer of Assets from Existing Academies into the Trust	10,461,978	-	(297,228)	-	10,164,750
	<u>21,570,007</u>	<u>10,548,937</u>	<u>(592,288)</u>	<u>35,523</u>	<u>31,562,179</u>
Restricted pension funds					
Pension Liability	(750,000)	-	(138,000)	(543,000)	(1,431,000)
Transfer of Pension Liabilities from Existing Academies into the Trust	(1,407,000)	-	(234,000)	(985,000)	(2,626,000)
Transfer of Pension Liabilities from Local Authority	(717,000)	(1,293,000)	(153,000)	(363,000)	(2,526,000)
	<u>(2,874,000)</u>	<u>(1,293,000)</u>	<u>(525,000)</u>	<u>(1,891,000)</u>	<u>(6,583,000)</u>
Total restricted funds	19,139,761	19,169,315	(11,160,114)	(1,683,761)	25,465,201
Unrestricted funds					
Unrestricted general funds	451,917	1,390,533	(432,755)	(207,239)	1,202,456
Total funds	<u>19,591,678</u>	<u>20,559,848</u>	<u>(11,592,869)</u>	<u>(1,891,000)</u>	<u>26,667,657</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

SEN funding is provided for the provision of services for children with special educational needs.

Pupil Premium Grant, which may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

Devolved capital allocated direct by the DfE must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs. The academy trust was not subject to a limit on GAG carry forward.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital. Inherited assets are principally the land and buildings from the former school.

During the year to 31 August 2020 a transfer from Unrestricted General Funds of £173,630 to General Annual Grant is to cover the in year deficit.

During the year to 31 August 2020 a transfer from of £43,630 from General Annual Grant to Restricted Fixed Asset Funds is the result of General Annual Grant money being spent on capital.

During the year to 31 August 2020 a transfer of £41,832 was made from Transfer of Existing Academies to General Annual Grant within Restricted General Funds.

During the year to 31 August 2019 a transfer from Unrestricted General Funds of £207,239 to General Annual Grant is to cover the in year deficit.

During the year to 31 August 2019 a transfer from of £35,523 from General Annual Grant to Restricted Fixed Asset Funds is the result of General Annual Grant money being spent on capital.

During the year to 31 August 2019 a transfer of £177,920 was made from Transfer of Funds from Local Authority to General Annual Grant within Restricted General Funds.

Restricted Pension Funds represent the LGPS pension deficit.

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Biggin Hill Primary School	828,551	759,927
Cavendish Primary School	301,716	348,621
Cleeve Primary School	202,777	140,882
Gillshill Primary School	351,234	302,405
Spring Cottage Primary School	31,075	(77,896)
Thanet Primary School	144,332	128,198
Central Services	100,317	86,341
Total before fixed assets and pension reserve	1,960,002	1,688,478
Restricted Fixed Asset Fund	34,012,426	31,562,179
Pension Reserve	(8,545,000)	(6,583,000)
Total	<u>27,427,428</u>	<u>26,667,657</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year (excluding depreciation of £755,044 and including central service contributions of £341,748) was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Biggin Hill Primary School	2,510,406	592,824	92,585	378,451	3,574,266	3,364,003
Cavendish Primary School	1,118,518	425,057	57,858	245,826	1,847,259	274,042
Cleeve Primary School	1,869,619	532,977	50,412	308,197	2,761,205	2,580,153
Gillshill Primary School	1,282,049	416,552	90,297	273,308	2,062,206	339,388
Spring Cottage Primary School	1,572,900	509,395	104,489	327,393	2,514,177	2,251,726
Thanet Primary School	1,540,071	504,806	59,446	266,064	2,370,387	2,194,528
Central services	15,700	128,898	23,633	179,620	347,851	206,287
Academy Trust	<u>9,909,263</u>	<u>3,110,509</u>	<u>478,720</u>	<u>1,978,859</u>	<u>15,477,351</u>	<u>11,210,127</u>

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	31,365,212	31,365,212
Current assets	1,262,150	2,123,307	2,647,214	6,032,671
Current liabilities	-	(1,425,455)	-	(1,425,455)
Pension scheme liability	-	(8,545,000)	-	(8,545,000)
Total net assets	<u>1,262,150</u>	<u>(7,847,148)</u>	<u>34,012,426</u>	<u>27,427,428</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	31,493,635	31,493,635
Current assets	1,202,456	1,580,861	68,544	2,851,861
Current liabilities	-	(1,094,839)	-	(1,094,839)
Pension scheme liability	-	(6,583,000)	-	(6,583,000)
Total net assets	<u>1,202,456</u>	<u>(6,096,978)</u>	<u>31,562,179</u>	<u>26,667,657</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	<u>2,581,357</u>	<u>-</u>

18 Financial commitments

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	49,720	56,361
Amounts due between one and five years	<u>42,015</u>	<u>64,851</u>
	<u>91,735</u>	<u>121,212</u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2020 £	2019 £
Net income	1,718,771	8,966,979
Depreciation	755,044	592,288
Cash transferred on conversion to an academy trust	-	662,438
Donated capital and capital grants	(3,227,316)	(114,462)
Interest receivable	(2,422)	(2,713)
FRS 102 net interest on defined benefit pension scheme	130,000	89,000
FRS102 cost less contributions payable on defined benefit pension scheme	873,000	436,000
Increase in debtors	(2,290,780)	(675,078)
Increase in creditors	330,616	376,923
Inherited Pension	-	1,293,000
Net cash (outflow)/inflow from operating activities	<u>(1,713,087)</u>	<u>11,624,375</u>

20 Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(626,621)	(101,324)
Capital grants from DfE	3,227,316	114,462
Inherited Assets	-	(10,434,475)
Net cash inflow/(outflow) from capital expenditure and financial investment	<u>2,600,695</u>	<u>(10,421,337)</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	2,758,224	1,868,194
Total cash and cash equivalents	<u>2,758,224</u>	<u>1,868,194</u>

22 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	1,868,194	890,030	2,758,224
	-	-	-
Total	<u>1,868,194</u>	<u>890,030</u>	<u>2,758,224</u>

23 Contingent liabilities

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

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

- the value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust, and
- the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the funding agreement.

24 Members' liability

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

25 Pension and similar obligations

The Academy'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 East Riding 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £214,130 (2019 - £179,477) were payable to the schemes at 31 August and are included within creditors.

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,107,912 (2019: £564,334).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,078,000 (2019 - £851,000), of which employer's contributions totalled £865,000 (2019 - £693,000) and employees' contributions totalled £213,000 (2019 - £158,000). The agreed contribution rates for future years are 26.1% per cent for employers and 5.5% - 12.5% per cent for employees.

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

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2020 %	At 31 August 2019 %
Rate of increase in salaries	3.10	2.50
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.80</u>

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males retiring today	20.90	20.80
Females retiring today	23.30	23.30
Retiring in 20 years		
Males retiring in 20 years	21.80	22.00
Females retiring in 20 years	<u>24.80</u>	<u>24.90</u>

Sensitivity analysis

	At 31 August 2020 £	At 31 August 2019 £
Discount rate -0.5%	2,228,000	2,017,000
Salary rate +0.5%	228,000	297,000
Pension rate +0.5%	1,652,000	1,679,000
Mortality assumption - 1 year increase	<u>717,000</u>	<u>616,000</u>

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

	2020 £	2019 £
Equities	6,176,000	6,269,000
Other bonds	1,497,000	1,324,000
Property	1,123,000	971,000
Cash and other liquid assets	<u>560,000</u>	<u>264,000</u>
Total market value of assets	<u>9,356,000</u>	<u>8,828,000</u>

The actual return on scheme assets was (£415,000) (2019 - £313,000).

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	873,000	436,000
Interest cost	130,000	89,000
Total amount recognised in the SOFA	<u>1,003,000</u>	<u>525,000</u>

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

	2019/20 £	2018/19 £
At start of period	15,411,000	9,062,000
Conversion of academy trusts	-	2,840,000
Current service cost	1,738,000	1,085,000
Interest cost	301,000	279,000
Employee contributions	213,000	158,000
Actuarial (gain)/loss	373,000	2,014,000
Benefits paid	(135,000)	(71,000)
Past service cost	-	44,000
At 31 August	<u>17,901,000</u>	<u>15,411,000</u>

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

	2019/20 £	2018/19 £
At start of period	8,828,000	6,188,000
Conversion of academy trusts	-	1,547,000
Interest income	171,000	190,000
Actuarial gain/(loss)	(586,000)	123,000
Employer contributions	865,000	693,000
Employee contributions	213,000	158,000
Benefits paid	(135,000)	(71,000)
At 31 August	<u>9,356,000</u>	<u>8,828,000</u>

Horizon Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure related party transactions

During the year the academy made the following related party transactions:

Alan Chaffey Education Limited

(The Director, Alan Chaffey was appointed as a member from 30 March 2019.)

During the period the Trust purchased educational review services amounting to £nil (2019 : £2,200).

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Alan Chaffey Education Limited was £Nil (2019 - £Nil).

Pearjuice Digital

(The owner is the husband of the CFO.)

During the period the Trust purchased web design services amounting to £nil (2019: £1,300).

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Pearjuice Digital was £Nil (2019 - £Nil).

Close family members

A Dunn, spouse of T Dunn, a Trustee, is employed by the Multi Academy Trust as an Education Support Assistant. A Dunn's appointment was made in open competition and T Dunn was not involved in the decision making process regarding appointment. A Dunn is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.