

Registration number: 08411590

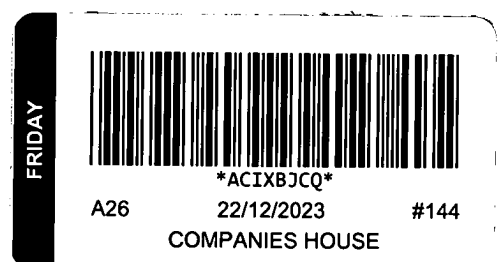
# Horizon Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

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**

<b>Members</b>	Mr R Marsden
	Mr A Chaffey
	Mrs M Strode (resigned 28 June 2023)
	Mrs H Lacey
	Mrs M Kermeen
<b>Chief Executive Officer</b>	Mr M Dodd
<b>Governors and Trustees (Directors)</b>	Mr T Dunn, (i)
	Mrs K Cutler, (i) (resigned 11 September 2022)
	Mrs M Kermeen, Chair (i)
	Miss C Campbell-Hamilton, (i)
	Mr P Greef, (i)
	Mrs H Bridges, (i) (appointed 11 September 2022)
	Mrs J Garnett, (i) (appointed 1 January 2023)
	Mr S Garnett, (i) (appointed 11 September 2023)

(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  
Mrs S Whiteley, Chief Operations Officer

**Principal and Registered Office** Biggin Avenue  
Hull  
HU7 4RL

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

**Solicitors** Wilkin Chapman LLP  
Catergate House  
26 Chantry Lane  
Grimsby  
North East Lincolnshire  
DN31 2LJ

**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 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31/08/2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic 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.

The Academy Trust operated seven primary schools during the year.

- Biggin Hill Primary School
- Bilton Community Primary School
- Cavendish Primary School
- Cleeve Primary School
- Gillshill Primary School
- Spring Cottage Primary School
- Thanet Primary School

##### ***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.

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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.

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. The Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent they are a Trustee.

#### ***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.

#### ***Organisational structure***

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

The members are responsible for furthering the academy Trust's charitable purpose.

The Trustees are responsible for the strategic planning of the Trust as laid out in the scheme of delegation.

The Trust Board has established two committees to support the decision making of the Board of Trustees. These committees reports to the board of Trustees:

- Finance, Resources & Operations (incorporating the Audit and Risk Committee)
- Standards and Curriculum

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

The day to day leadership of the Trust is the responsibility of the Chief Executive Officer as Accounting Officer.

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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.

In terms of the Executive pay, the requirements in the Academy Trust Handbook 2022 are adhered to. All decisions are fully minuted and transparent with a clear rationale for the determination of any salary range and pay progression taking account the employee's role and responsibilities. The CEO and Executive Headteachers do not have any involvement in deciding their own remuneration, this is solely the decision of the Trust Board with support from Human Resources.

#### ***Trade union facility time***

The Trust contributes to a cost sharing pooled budget arrangement with the Local Authority for provision of facility time by union reps, whereby the Local Authority is the employer.

As such the Trust is only required to publish the data required in table 3 of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

#### **Percentage of pay bill spent on facility time**

Total cost of facility time	£12,381
Total pay bill	£14,142,748
Percentage of the total pay bill spent on facility time	0.09%

#### ***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.

#### ***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 issues a half-termly newsletter to all employees informing them of matters within the Trust and it circulates an annual questionnaire to all staff for feedback on how they felt the Trust was supporting their wellbeing as employees.

The Trust has a wellbeing charter in place which outlines its commitment to the workforce in the areas of CPD, retention, communication and work life balance. The charter provides employees with practical advice and support on how to achieve work-life balance and how, as an employer, the Trust will support staff to achieve this.

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 transpire from these meetings as well as their work within the Trust.

The Finance, Resources & Operations Committee on the 17 July 2018 adopted a Single Equality Scheme, this has been incorporated into a Trust wide Equality and Diversity Policy. 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. The Trust monitors the operation and impact of all employment policies, having due regard to staff with protected characteristics. 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.

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Engagement with suppliers, customers and others in a business relationship with the Academy 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.

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

1. Engaging with charities such as Fareshare and other local charitable organisations to provide support to our most vulnerable families.
2. Accessing the national food voucher scheme and providing help and support to parents in accessing and utilising the service.
3. Providing regular updates and information to parents via the academy websites and newsletters.
4. 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.
5. Maintaining good relationships with suppliers via performance feedback and completion of surveys to ensure suppliers are delivering to expectations.

#### **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.



## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Objectives, strategies and activities***

The main objectives of Horizon Academy Trust during the period ended 31 August 2023 are summarised below:

##### **Leadership and Governance**

- A) To ensure robust delivery of the Trust Board's and members' statutory duties in respect of vision, finance, accountability and safeguarding, in line with The Academy Trust Handbook, the SRMSAT and identified risks
- B) To continue to facilitate the engagement of the leadership and governance of each Trust school to make an active and sustained contribution to the Trust
- C) To continue to build capacity and sustainability through the development of central services and the central Trust structure and through Trust growth

##### **School Improvement**

- A) To ensure that all staff and governors across the Trust can access bespoke CPD which positively impacts on outcomes and performance
- B) To ensure that all academies engage in Trust School Improvement systems to support each Head/Head of School to establish an ethos and climate that ensures senior and middle leadership teams are highly effective

##### **Outcomes**

- A) To strive for all academies to meet or exceed National Averages or Trust targets (whichever is the higher) at EYFS, Phonics, KS1 and KS2 (Reading, Writing and Maths, plus combined at KS2)
- B) To ensure strong outcomes for all groups of pupils, including disadvantaged and SEND, demonstrating strong progress relative to their starting points
- C) To make sure that the impact of the wider curriculum in each school is evidenced across all subjects and celebrated across the Trust

##### **Financial Probity and Central Services**

- A) To continue to develop the catering support service
- B) To implement a central services management strategy in line with DfE and ESFA guidance
- C) To continue to secure value for money in line with the Academies Financial Handbook and develop further efficiencies across the Trust

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### **Public benefit**

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 seven academies aspiring towards the highest possible standards for over approximately 3,000 pupils 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.

#### **Strategic Report**

##### **Achievements and performance**

Across 2022-23 Horizon Academy Trust has continued to offer support to schools in their improvement journey.

1. A new feedback policy has been implemented, which ensures effective feedback is given to all pupils following teaching sequences, while reducing the workload for teachers. This policy has been successfully integrated into all schools.
2. The 'Horizon curriculum' has undergone further development to ensure consistency of delivery across the Trust.
3. The Trust introduced 'WRAP' (Wellness Recovery Action Plans) across all schools to provide pupils with mental health support.
4. The SOL attendance tracker was implemented Trust-wide to assist schools with attendance, resulting in Trust attendance rates surpassing attendance rates in primary schools nationally.
5. The Trust has created new assessment tools on its MIS to reduce the assessment burden and compile data in one place, making it easier for schools to manage and analyse student performance.
6. All schools received both internal and external reviews of performance across 2022-23 to ensure standards remain high.

##### **Ofsted Inspections this year:**

Gillshill - Good (December 2022)

Cavendish - Good (May 2023)

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Key financial performance indicators***

At a financial level Trustees are provided with KPIs across the schools for comparison and benchmarking purposes. These are provided monthly to all Trustees within the management accounts. The KPIs include:

- Reserves levels - restricted/unrestricted and fixed asset reserves
- Key balance sheet figures - debtors, creditors, bank and cash and pension deficit
- Cash flow ratio - ability of the Trust/academies to pay debts as they fall due
- Teacher to pupil ratio
- Average teacher staff cost and average support staff cost
- Staff pay as a percentage of both income and expenditure
- Spend per pupil on staffing costs
- Total spend per pupil on non-staff expenditure

## Horizon Academy Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

School	Teacher to Pupil ratio	Cash Flow ratio %	Staff cost as % of income (excluding catering staff)	Staff cost as % of expenditure (excluding catering staff)
Biggin Hill Primary	1:24	1.61	76	79
Bilton Primary	1:22	1.10	79	79
Cavendish Primary	1:28	2.30	83	78
Cleeve Primary	1:23	1.89	75	77
Gillshill Primary	1:21	1.55	79	76
Spring Cottage Primary	1:22	1.31	78	79
Thanet Primary	1:19	2.34	73	78

#### Key Stage Results

Early Years Attainment	Biggin Hill	Bilton	Cavendish	Cleeve	Gillshill	Spring Cottage	Thanet
GLD	68	75	73	67	72	73	71
Phonics Attainment	Biggin Hill	Bilton	Cavendish	Cleeve	Gillshill	Spring Cottage	Thanet
Year 1 2023 results	78	80	86	87	81	75	83
Key Stage 1 Attainment 2023	Biggin Hill	Bilton	Cavendish	Cleeve	Gillshill	Spring Cottage	Thanet
Reading Secure +	73	75	58	76	71	71	79
Reading GD	17	25	14	30	18	16	26
Writing Secure +	69	69	57	76	66	59	60
Writing GD	13	16	11	27	16	8	5
Numeracy Secure +	76	78	69	81	79	72	78
Numeracy GD	18	22	14	32	15	20	19
Science	77	88	76	78	81	82	78
Key Stage 2 Attainment 2023	Biggin Hill	Bilton	Cavendish	Cleeve	Gillshill	Spring Cottage	Thanet
RWM Combined Secure +	60	55	60	44	73	78	63.7
RWM Combined GD	7	3	8	2	11	22	3.4
Reading Secure +	72	88	77	49	80	93	74.1
Reading GD	27	12	32	7	24	42	18.9
Writing Secure +	74	76	79	64	79	81	79
Writing GD	18	6	18	5	15	32	14
Numeracy Secure +	70	79	70	63	98	89	74.1
Numeracy GD	11	9	15	19	23	40	12.1
GPS Secure +	49	94	90	63	100	86	58.6
GPS GD	19	18	30	17	44	48	24
Science	79	94	85	69	87	85	85

## Horizon Academy Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Pupil Attendance

Pupil attendance and persistent absence continues to be a priority for the Trust. This is overseen by a Trust strategic lead for attendance. Figures from September 2022 - August 2023:

School	Absence (%)	Persistent Absence (%)
Biggin Hill Primary	93.3	21.8
Bilton Primary	94.8	17.3
Cavendish Primary	95.1	9.4
Cleeve Primary	92	30.8
Gillshill Primary	95.1	10.7
Spring Cottage Primary	94.9	12.3
Thanet Primary	93.7	18.4

#### Ofsted Inspection outcomes

During the 2022-23 academic year, two of the Trust schools had an Ofsted inspection. Gillshill Primary School was inspected in December 2022 and received a judgement of good. Cavendish Primary School was inspected in May 2023 and was judged to be good, a significant improvement on their previous inspection of inadequate.

The judgements of all schools are outlined below:

- 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 Good
- Gillshill Primary School is currently judged by OFSTED to be Good
- Cavendish Primary School is currently judged by OFSTED to be Good

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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.

After performing a going concern review, the Trustees consider that the Trust is a going concern. To support this conclusion the Trustees have considered both short term and long-term forecasts and the underlying assumptions to support those forecasts. Pupil number projections, future pay awards, inflation and known funding streams are all considered each term and updated to reflect latest expectations and are prudently applied.

Detailed management accounts are provided to Trustees each month and are discussed at the finance meetings six times a year. Key performance indicators are provided each month at Trust and academy level so variations amongst schools can be easily identified, and performance measured. A cashflow is provided within the management accounts and cash flow ratios produced which demonstrate that the Trust has no cashflow issues projected in the medium term.

All schools maintain a regularly updated working budget which serves as the latest forecast, with variances to original budgets investigated and reported on monthly.

Wherever possible the Trust procures agreements at a Trust level to support efficiencies in time and contract management, whilst supporting achieving cost savings via economies of scale. Value for money is sought through the central services provided to academies by the central team. The Trust has a healthy reserve position, currently in excess of the higher threshold of the reserves policy, and is expected to maintain that level for at least the next two academic years. The Trust maintains reserves at a level that can address any immediate financial impact of unforeseen events as well as long term uncertainties. All academies within the Trust have opted into the RPA scheme to provide further protection from unplanned events which can be covered by insurance.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### ***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 and to offer sponsorship where appropriate. The Trust continues to develop its outward facing appearance to build positive relationships with a view to achieving this objective and it is currently working with schools outside of the immediate area, undertaking collaborative working for school improvement as well as consultative support for other central services.

#### ***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 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2023 total expenditure of £19,858,904 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £18,294,849 (excluding capital grants and amounts transferred from local authority on conversion). The excess of expenditure over income for the period was £1,564,055. This excess includes depreciation charges, accounting adjustments in relation to tangible fixed assets, of £1,232,193 and FRS 102 pension cost adjustments of £440,000, in relation to the LGPS liability. If the depreciation charges and FRS 102 pension cost adjustments were added back to the excess figure of £1,564,055, the Trust made a surplus of £108,138.

At 31 August 2023 the net book value of fixed assets was £39,613,567 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 £396,000.

## Horizon Academy Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### **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.

During the year, the Trust moved to holding a higher proportion of reserves centrally to enable greater oversight, management and transparency in the utilisation of excess reserves. Each school started the year with a 5% of their total income as a revenue reserves balance brought forward. As the Trust moves to GAG pooling and reserve pooling, the Trust will retain all reserves centrally from 1 September 2023.

A breakdown of the funds at 31 August 2023 is as follows:-

	£
Unrestricted general fund	1,025,122
Restricted general fund	926,955
Restricted fixed asset fund	39,887,250
Restricted pension fund	(396,000)
Total funds	<u>41,443,327</u>

#### **Investment policy**

The Trustees agree all investments made by the academies. 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 centred around changes in the level of funding from the DfE/ESFA, especially with regards to unfunded pay awards in excess of assessed affordability for the sector. In addition, the Academy Trust is a member of the Local Government Pension (LGPS), which may result in significant movements each year.

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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, safeguarding and health and safety) 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:**

- 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 pupil numbers: with the exception of two schools, all the Trust schools face pressures from falling pupil numbers. This is directly linked to a falling birth rate nationally and requires careful management to ensure its schools can continue to fulfil places. The Trust has embarked on a marketing strategy linked directly to maximising admissions.
- 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. The Trust is adopting a move to a single bank account in 2023-24 and this will eliminate any pressures on individual school cash flows.
- Staff recruitment and retention: 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. The Trust has strong links with the local teaching school, the School-Centred Initial Teacher Training provider and research school. Failure to retain key staff, in particular the members of the Senior Leadership, is a retention risk, however there are not deemed to be any immediate threats in this regard and succession planning is being considered.
- 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. Once again, the pay awards in 2023 have been in excess of anticipated levels and has therefore further increased financial vulnerability in this area. Whilst additional funding has mitigated the effect of this, it has not eliminated it completely.
- Energy Costs: volatility in the energy markets due to global supply issues is a risk to the Trust. Markets have stabilised somewhat in recent months but continue to be at higher rates than were enjoyed previously.

#### **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 noticeboards.



## Horizon Academy Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Streamlined Energy and Carbon Reporting

##### UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

##### Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all seven schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). This reporting period saw the addition of Bilton Community Primary School, who joined the Trust on 1st September 2022.

##### Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

##### UK Greenhouse gas emissions and energy use data for the period 01 September 2022 to 31 August 2023

	2023	2022
Energy consumption used to calculate emissions (kWh)	2,863,726	2,771,558
<b>Energy consumption break down (kWh)</b>		
Gas	2,059,814	2,026,091
Electricity	776,577	700,891
Transport fuel	27,334	44,576
<b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b>		
Owned transport - mini-buses	4.40	10.00
Gas consumption	376.80	369.80
Total scope 1	381.20	379.80
<b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</b>		
Purchased electricity	160.80	135.50
<b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b>		
Business travel in employee-owned vehicles	2.40	1.10
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>544.40</b>	<b>516.40</b>
<b>Intensity ratio</b>		
Tonnes CO <sub>2</sub> e per pupil	0.24	0.19
Tonnes of CO <sub>2</sub> e per square meter floor area	0.03	0.03

## **Horizon Academy Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### **Quantification and Reporting Methodology:**

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet and minibuses. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur because of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

#### **Intensity measurement**

Two intensity ratios are reported showing emissions (tCO<sub>2</sub>e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

#### **Measures taken to improve energy efficiency**

Total energy use and emissions have increased this year by 81,954 (+3%) kWh and 25.8 tCO<sub>2</sub>e (+5%) respectively. This increase is due to the inclusion of Bilton Community School, which joined the Trust at the beginning of the academic year. Therefore, the increase in emissions compared to last year is a result of structural changes.

In the current reporting year, the Trust has carried out LED installations with new fittings installed at Cavendish Primary School, improving electrical efficiency. Going forward, the Trust remains committed to reducing its carbon footprint and continues to look out for new energy saving and funding opportunities.

#### **Employment of disabled persons**

The Finance, Resources & Operations Committee on the 17 July 2018 adopted a Single Equality Scheme, this has been incorporated into a Trust wide Equality and Diversity Policy. 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. The Trust monitors the operation and impact of all employment policies, having due regard to staff with protected characteristics. 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.

## Horizon Academy Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Plans for future periods

In line with the Trust Strategic Plan, the Trust will continue to develop the reach of its influence on improving the life chances of children through increased pupil admissions and expansion of the number of schools within the Trust family;

It will continue to support its academies in closing the gaps between disadvantaged and other pupils and ensure that the negative impact of Covid-19 is addressed effectively where it exists;

It will continue to support its academies with Ofsted inspection and compliance, including the robust delivery of effective safeguarding practice across all of its schools;

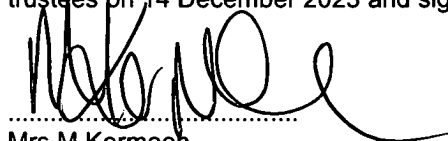
It will continue its commitment to improving recruitment into the profession and retaining key personnel through high-quality professional development and career opportunities. This will encompass succession planning as the Trustees respond to developments with the Academy Trust.

#### 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 14 December 2023 and signed on its behalf by:



.....  
Mrs M Kermeeh  
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.

The Trust has continued with hybrid meetings of attending either in person or via Microsoft Teams in order to accommodate the needs of governors and Trustees.

### 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 3 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	3	3
Mrs M Kermeen	3	3
Mr P Greef	3	3
Miss C Campbell-Hamilton	3	3
Mrs J Garnett	2	2
Mrs H Bridges	3	3

### Conflicts of interest

The Trust clerk maintains an up to date register of interests which is used to inform management of any potential related party transactions and conflicts of interest. Consideration of conflicts of interest are discussed at Trust board meetings and disclosure of any potential interest or conflict is a standing agenda item at all Trust board meetings. Where an interest is declared that person will be asked to leave the meeting for the duration of that item, and will abstain from any decision making.

Potential related party transactions must be declared to the CFO who will advise on any requirements to report to the ESFA and can advise on at-cost rules.

## Horizon Academy Trust

### Governance statement (continued)

#### Effective oversight of funds

Whilst the board has met less than 6 times in the year, it maintains effective oversight by production of regular financial information in the form of monthly management accounts consisting of a consolidated income and expenditure incorporating budget variances, balance sheet, cash flow, fixed asset register and key performance indicators. These are shared with all Trustees each month via upload to a shared area and are discussed six times a year at the finance, resources and operations committee meeting, and at the board meeting 3 times a year.

Alongside consolidated information, Trustees are provided with the same information at academy level enabling oversight over any individual academy.

A narrative report completed by the CFO is provided within each set of monthly management accounts, highlighting the principal points to bring to the attention of Trustees.

The school resource management self-assessment tool (SRMSAT) is shared with Trustees each year for their review and to action any areas highlighted by the benchmarking exercise.

Budgetary reporting and modelling assumptions are regularly brought to the board for review and approval, these consist of long- term forecasting, allowing the Trust to adapt to the changing environment.

All discussions and key points from the finance, resources and operations committee are reported to the board of Trustees for further discussion and to ensure key decision making is undertaken by the board.

#### Governance reviews

During summer 2023, a governance review was carried out by Veritau as part of the internal assurance programme of work. This highlighted the key following areas for improvement and development:

- Consistent compliance monitoring
- System process review in relation to local governance administration

In addition to the internal review, the Trust was selected for a financial and governance review by the ESFA. The overarching conclusion was that the Trust has sound governance and financial systems in place. The review made recommendations in relation to how Trustees record their scrutiny of financial information, including budget setting and management account review. These recommendations have all been actioned immediately to ensure ongoing compliance with the Academies Trust Handbook.

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
Mr T Dunn	6	6
Miss C Campbell-Hamilton	5	6
Mr P Greef	5	6
Mrs M Kermeen	6	6
Mrs J Garnett	3	4
Mrs H Bridges	5	6

## **Horizon Academy Trust**

### **Governance statement (continued)**

#### **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 as well as estates safety and management 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:

- Investing in the central IT team resulting in an extra engineer being available to support schools
- Investing in the central HR team by employing a HR assistant to support the HR manager
- Centrally procuring new financial and budgeting software to support efficiencies in centralisation of the finance function
- Funding the NEBOSH qualification for the Chief Operating Officer to support compliance with laws and regulations across the estate
- Increased the internal CPD offering to schools to reduce costs on externally provided courses
- Investing in a central asbestos register to monitor risks across the estate
- Investing in renewed condition surveys to support the priorities to be funded by the Schools Condition Allocation grant
- Implementation of central Health & Safety audits, monitored by the Chief Operating Officer for compliance

#### **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 2023 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 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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

The board of trustees has decided:

- to buy in an internal audit service from Veritau

## Horizon Academy Trust

### Governance statement (continued)

This option has been chosen because the Trust wanted a review undertaken by experienced staff with the ability to make recommendations based on knowledge and experience in each of the areas selected for review.

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

- Review and testing of purchasing and procurement controls
- Review and testing of governance controls
- Review and testing of health & safety processes and controls

On a regular basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

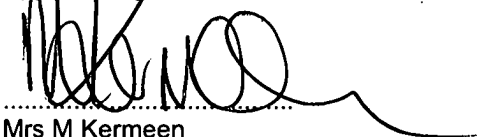
#### Review of effectiveness

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 internal and 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 14 December 2023 and signed on its behalf by:



Mrs M Kermeen  
Governor and trustee

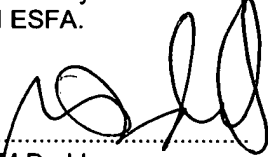
## **Horizon Academy Trust**

### **Statement of 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, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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

14 December 2023



## **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:

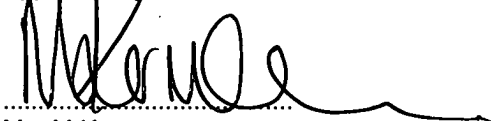
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 14 December 2023 and signed on its behalf by:



Mrs M Kermeen  
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 2023, which comprise the Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account), Balance Sheet as at 31 August 2023, Statement of Cash Flows for the year ended 31 August 2023, 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 2022 to 2023 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 2023 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 2022 to 2023 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 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

#### **Other information (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 23], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Horizon Academy Trust**

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

Using our knowledge of the company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities SORP 2019, the Academies Financial Handbook 2022 to 2023 issued by the ESFA, the Academies Accounts Direction 2023 issued by the ESFA and UK Tax legislation. We assessed the susceptibility of the company's financial statements to material misstatement by considering the controls the company has established to address risks identified and how the directors monitor these controls and by evaluating the opportunity to commit fraud.

Our audit procedures included the following;

- testing management override controls including journal testing and reviewing accounting estimates for reasonableness
- enquiries of management and the company's solicitors of actual and potential litigation claims
- reviewing legal and professional fees for any potential litigation claims
- identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2022
- enquiries of management including fraud and associated risks
- discussions with management, including consideration of known or suspected instances of non-compliance
- challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability
- testing focussing on the areas of the financial statements most susceptible to material error including completeness of income and review to ensure correct matching revenue and costs
- testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.
- 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.

## Horizon Academy Trust

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

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.

*Forrester Boyd Robson Limited*

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: *21/12/2013*

## Horizon Academy Trust

### Independent Reporting Accountant's Assurance Report on Regularity

In accordance with the terms of our engagement letter dated 1 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### Approach

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

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

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

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

#### 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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: 21/12/2023

# Horizon Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2022/23 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	146,799	-	387,945	534,744
Transfer from local authority on conversion		10,267	(248,000)	5,215,922	4,978,189
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	17,242,870	-	17,242,870
Other trading activities	4	904,726	-	-	904,726
Investments	5	454	-	-	454
Total		1,062,246	16,994,870	5,603,867	23,660,983
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,246,672	17,246,493	1,365,739	19,858,904
Net (expenditure)/income		(184,426)	(251,623)	4,238,128	3,802,079
Transfers between funds		212,459	(415,435)	202,976	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	27	-	2,436,000	-	2,436,000
Profit/(loss) on disposal of fixed assets		-	-	3,281	3,281
Net movement in funds		28,033	1,768,942	4,444,385	6,241,360
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2022		997,089	(1,237,987)	35,442,865	35,201,967
Total funds carried forward at 31 August 2023		1,025,122	530,955	39,887,250	41,443,327

# Horizon Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

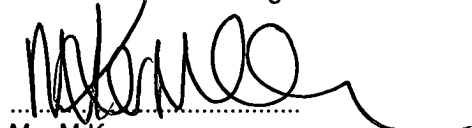
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	122,698	-	1,261,658	1,384,356
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	14,902,966	-	14,902,966
Other trading activities	4	705,162	-	-	705,162
Investments	5	581	-	-	581
Total		828,441	14,902,966	1,261,658	16,993,065
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	687,449	16,547,322	1,187,534	18,422,305
Net income/(expenditure)		140,992	(1,644,356)	74,124	(1,429,240)
Transfers between funds		(406,053)	(150,403)	556,456	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	27	-	11,581,000	-	11,581,000
Net movement in (deficit)/funds		(265,061)	9,786,241	630,580	10,151,760
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		1,262,150	(11,024,228)	34,812,285	25,050,207
Total funds/(deficit) carried forward at 31 August 2022		997,089	(1,237,987)	35,442,865	35,201,967



**Horizon Academy Trust**  
**(Registration number: 08411590)**  
**Balance Sheet as at 31 August 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	39,613,567	34,609,611
<b>Current assets</b>			
Debtors	13	534,286	1,493,711
Cash at bank and in hand		<u>3,345,623</u>	<u>3,108,416</u>
		3,879,909	4,602,127
<b>Liabilities</b>			
Creditors: Amounts falling due within one year		<u>(1,478,779)</u>	<u>(1,755,600)</u>
Net current assets		<u>2,401,130</u>	<u>2,846,527</u>
Total assets less current liabilities		42,014,697	37,456,138
Creditors: Amounts falling due after more than one year	15	<u>(175,370)</u>	<u>(110,171)</u>
Net assets excluding pension liability		41,839,327	37,345,967
Defined benefit pension scheme liability	27	<u>(396,000)</u>	<u>(2,144,000)</u>
<b>Total net assets</b>		<u><b>41,443,327</b></u>	<u><b>35,201,967</b></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	16	926,955	906,013
Restricted fixed asset fund	16	39,887,250	35,442,865
Pension reserve	16	<u>(396,000)</u>	<u>(2,144,000)</u>
		40,418,205	34,204,878
<b>Unrestricted funds</b>			
Unrestricted general fund	16	<u>1,025,122</u>	<u>997,089</u>
<b>Total funds</b>		<u><b>41,443,327</b></u>	<u><b>35,201,967</b></u>

The financial statements on pages 29 to 57 were approved by the Trustees, and authorised for issue on 14 December 2023 and signed on their behalf by:



Mrs M Kermeen  
Governor and trustee

## Horizon Academy Trust

### Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
Net cash inflow from operating activities	20	6,019,317	427,739
Cash transferred on conversion to an academy trust		(10,267)	-
Returns on investments and servicing of finance	21	73,079	29,930
Cash flows investing activities	22	<u>(5,844,922)</u>	<u>(670,284)</u>
Increase/(decrease) in cash in the year	23	<u>237,207</u>	<u>(212,615)</u>

## **Horizon Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023**

#### **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 2022 to 2023 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.

## **Horizon Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **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.

After performing a going concern review, the Trustees consider that the Trust is a going concern. To support this conclusion the Trustees have considered both short term and long-term forecasts and the underlying assumptions to support those forecasts. Pupil number projections, future pay awards, inflation and known funding streams are all considered each term and updated to reflect latest expectations and are prudently applied.

Detailed management accounts are provided to Trustees each month and are discussed at the finance meetings six times a year. Key performance indicators are provided each month at Trust and academy level so variations amongst schools can be easily identified, and performance measured. A cashflow is provided within the management accounts and cash flow ratios produced which demonstrate that the Trust has no cashflow issues projected in the medium term.

All schools maintain a regularly updated working budget which serves as the latest forecast, with variances to original budgets investigated and reported on monthly.

Wherever possible the Trust procures agreements at a Trust level to support efficiencies in time and contract management, whilst supporting achieving cost savings via economies of scale. Value for money is sought through the central services provided to academies by the central team. The Trust has a healthy reserve position, currently in excess of the higher threshold of the reserves policy, and is expected to maintain that level for at least the next two academic years. The Trust maintains reserves at a level that can address any immediate financial impact of unforeseen events as well as long term uncertainties. All academies within the Trust have opted into the RPA scheme to provide further protection from unplanned events which can be covered by insurance.

Wherever possible the Trust procures agreements at a Trust level to support efficiencies in time and contract management, whilst supporting achieving cost savings via economies of scale. Value for money is sought through the central services provided to academies by the central team. The Trust has a healthy reserve position, currently in excess of the higher threshold of the reserves policy, and is expected to maintain that level for at least the next two academic years. The Trust maintains reserves at a level that can address any immediate financial impact of unforeseen events as well as long term uncertainties. All academies within the Trust have opted into the RPA scheme to provide further protection from unplanned events which can be covered by insurance.

##### **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 2023 (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.

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

##### ***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 services and gifts in kind***

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's 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 2023 (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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### **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.

##### **Redundancy/termination payments**

The redundancy/termination payments are recognised in the accounts when they are incurred. The redundancy/termination payments have been disclosed separately in the staff costs note within the notes to the accounts.

##### **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

##### **Depreciation method and rate**

nil

2% straight line

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 1 Accounting policies (continued)

Leasehold Land	Over the residual period of the lease (125 years)
Leasehold Buildings	2% straight line
Improvements to Leasehold Land & Buildings	4% and 10% straight line
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 notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### 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 2023 (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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31/08/2023. 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 2023 (continued)

#### 2 Donations and capital grants

	Unrestricted Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
Educational trips and visits	127,592	-	127,592	98,926
Capital grants	-	387,945	387,945	1,206,509
Other donations	19,207	-	19,207	23,772
Donated fixed assets	-	-	-	55,149
	<u>146,799</u>	<u>387,945</u>	<u>534,744</u>	<u>1,384,356</u>

The income from donations and capital grants was £534,744 (2022: £1,384,356) which was allocated between the funds as follows; £146,799 unrestricted funds (2022: £122,698), £Nil restricted funds (2022: £Nil), £387,945 restricted fixed asset funds (2022: £1,261,658) and £Nil endowment funds (2022: £Nil).

#### 3 Funding for the Academy Trust's educational operations

	Restricted General Funds £	2022/23 Total £	2021/22 Total £
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
General Annual Grant	12,901,240	12,901,240	11,756,517
Pupil Premium	1,194,932	1,194,932	1,057,540
UFSM	295,768	295,768	237,005
Other ESFA grants	578,926	578,926	557,581
Teacher pay and pension grants	31,691	31,691	50,892
Supplementary grant	371,614	371,614	-
TCAF grant	80,665	80,665	-
	<u>15,454,836</u>	<u>15,454,836</u>	<u>13,659,535</u>
<b>Other government grants</b>			
Local authority grants	1,768,750	1,768,750	1,236,602
Other government grants	4,250	4,250	5,557
	<u>1,773,000</u>	<u>1,773,000</u>	<u>1,242,159</u>
<b>Non-government grants and other income</b>			
Non government grants	15,034	15,034	1,272
<b>Total grants</b>	<u>17,242,870</u>	<u>17,242,870</u>	<u>14,902,966</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 3 Funding for the Academy Trust's educational operations (continued)

The funding for educational operations was £17,242,870 (2022: £14,902,966) which was allocated between the funds as follows; £Nil unrestricted funds (2022: £Nil), £17,242,870 restricted funds (2022: £14,902,966), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

#### 4 Other trading activities

	Unrestricted Funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	9,585	9,585	7,795
Catering income	335,335	335,335	233,779
Recharges and reimbursements	93,957	93,957	156,271
Other income	465,849	465,849	307,317
	<u>904,726</u>	<u>904,726</u>	<u>705,162</u>

The income from other trading activities was £904,726 (2022: £705,162) which was allocated between the funds as follows; £904,726 unrestricted funds (2022: £705,162), £Nil restricted funds (2022: £Nil), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

#### 5 Investment income

	Unrestricted Funds £	2022/23 Total £	2021/22 Total £
Interest Received	454	454	581

The investment income was £454 (2022: £581) which was allocated between the funds as follows; £454 unrestricted funds (2022: £581), £Nil restricted funds (2022: £Nil), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

#### 6 Resources expended

	Non Pay Expenditure			2022/23 Total £	2021/22 Total £
	Staff costs £	Premises £	Other costs £		
<b>Academy's educational operations</b>					
Direct costs	12,271,820	1,011,476	925,861	14,209,157	12,312,471
Allocated support costs	3,289,202	1,056,993	1,303,552	5,649,747	6,109,834
	<u>15,561,022</u>	<u>2,068,469</u>	<u>2,229,413</u>	<u>19,858,904</u>	<u>18,422,305</u>

Net incoming/outgoing resources for the year include:

	2023 £	2022 £
<b>Operating leases:</b>		
Operating leases - other leases	18,527	25,528
Fees payable to auditor - audit	21,000	16,000
- other audit services	1,515	3,530
Depreciation	<u>1,232,193</u>	<u>1,083,132</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 7 Charitable activities

		2022/23 £	2021/22 £
Direct costs - educational operations		14,209,157	12,312,471
Support costs - educational operations		<u>5,649,747</u>	<u>6,109,834</u>
		<u>19,858,904</u>	<u>18,422,305</u>
	<b>Educational operations £</b>	<b>2022/23 Total £</b>	<b>2021/22 Total £</b>
<b>Analysis of support costs</b>			
Support staff costs	3,289,202	3,289,202	4,080,894
Depreciation	220,717	220,717	186,893
Premises costs	836,276	836,276	640,623
Other support costs	<u>1,303,552</u>	<u>1,303,552</u>	<u>1,201,424</u>
Total support costs	<u>5,649,747</u>	<u>5,649,747</u>	<u>6,109,834</u>

#### 8 Staff

##### Staff costs

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	11,537,434	9,933,252
Social security costs	1,065,955	917,260
Pension costs	<u>2,701,298</u>	<u>3,642,316</u>
	15,304,687	14,492,828
Supply staff costs	256,335	217,220
Staff restructuring costs	<u>-</u>	<u>6,176</u>
	<u>15,561,022</u>	<u>14,716,224</u>
	<b>2022/23 £</b>	<b>2021/22 £</b>
<b>Staff restructuring costs comprise:</b>		
Severance payments	<u>-</u>	<u>6,176</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2022: £6,176). Individually, the payments were: £6,176.

# Horizon Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (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:

	2023 No	2022 No
<b>Charitable Activities</b>		
Teachers	152	142
Administration and support	369	342
Management	4	4
	<u>525</u>	<u>488</u>

#### Higher paid staff

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

	2022/23 No	2021/22 No
£60,001 - £70,000	7	6
£70,001 - £80,000	2	2
£80,001 - £90,000	2	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

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 2023 was £506,465 (2022: £451,820).

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (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 2022-23 the Trust charged for central services at 6% of GAG.

The actual amounts charged during the year were as follows:

	2022/23	2021/22
	£	£
Biggin Hill Primary School	172,067	550,654
Bilton Community Primary School	-	-
Cavendish Primary School	82,833	132,164
Cleeve Primary School	117,687	98,458
Gillshill Primary School	115,155	221,486
Spring Cottage Primary School	108,246	126,418
Thanet Primary School	115,269	189,071
	<u>711,257</u>	<u>1,318,251</u>

#### 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 M Dodd (Executive Head Teacher):

Remuneration: £125,000 - £130,000 (2022 - £115,000 - £120,000)

Employer's pension contributions: £30,000 - £35,000 (2022 - £25,000 - £30,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £324 (2022 - £349) were reimbursed or paid directly to 1 trustee (2022 - 1).

Other related party transactions involving the trustees are set out in note 28.

# Horizon Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (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 £	Motor vehicles £	Improvements to Leasehold Land and Buildings £	2022/23 Total £
<b>Cost</b>							
At 1 September 2022	5,909,252	25,849,489	325,165	886,957	7,995	5,977,456	38,956,314
Additions	-	-	47,420	102,790	-	901,615	1,051,825
Inherited assets	-	5,215,922	-	-	-	-	5,215,922
Disposals	-	-	-	(35,504)	-	-	(35,504)
At 31 August 2023	<u>5,909,252</u>	<u>31,065,411</u>	<u>372,585</u>	<u>954,243</u>	<u>7,995</u>	<u>6,879,071</u>	<u>45,188,557</u>
<b>Depreciation</b>							
At 1 September 2022	535,335	2,424,686	158,193	515,190	1,199	712,099	4,346,702
Charge for the year	110,759	536,878	49,180	219,118	1,599	314,659	1,232,193
Eliminated on disposals	-	-	-	(3,905)	-	-	(3,905)
At 31 August 2023	<u>646,094</u>	<u>2,961,564</u>	<u>207,373</u>	<u>730,403</u>	<u>2,798</u>	<u>1,026,758</u>	<u>5,574,990</u>
<b>Net book value</b>							
At 31 August 2023	<u>5,263,158</u>	<u>28,103,847</u>	<u>165,212</u>	<u>223,840</u>	<u>5,197</u>	<u>5,852,313</u>	<u>39,613,567</u>
At 31 August 2022	<u>5,373,917</u>	<u>23,424,803</u>	<u>166,972</u>	<u>371,767</u>	<u>6,796</u>	<u>5,265,357</u>	<u>34,609,612</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 12 Tangible fixed assets (continued)

Included within leasehold land and buildings is £28,103,847 (2022: £23,424,803) 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 School Lane (Bilton Community Primary School) was donated to the trust at a value of £5,215,922 in the period ended 31 August 2023 per a valuation in August 2023 by Strawhorn Surveyor.

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 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.

Included within freehold land and buildings is £5,263,158 (2022: £5,373,917) relating to freehold land and buildings.

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.

Included within improvements to leasehold land and buildings is £nil (2022: £700,618) relating to assets under construction.

#### 13 Debtors

	2023 £	2022 £
Trade debtors	17,762	31,680
Prepayments	168,275	103,987
Accrued grant and other income	249,015	1,257,318
VAT recoverable	73,743	100,062
Other debtors	25,491	664
	<u>534,286</u>	<u>1,493,711</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	306,096	417,791
Other taxation and social security	233,558	205,955
Other creditors	2,613	2,685
Pension scheme creditor	248,849	229,699
Loans	25,033	17,608
Accruals	472,508	739,659
Deferred income	190,122	142,203
	<u>1,478,779</u>	<u>1,755,600</u>

Loans of £15,573 from ESFA (Salix) which is provided on the following terms: Interest free loan, repayable in equal instalments twice yearly, over a repayment period of 8 years.

Loans of £9,460 from ESFA (CIF) which is provided on the following terms: interest charged at 2.07% per annum, repayable in equal monthly instalments, over a repayment period of 10 years.

	2023 £	2022 £
<b>Deferred income</b>		
Deferred income at 1 September 2022	142,203	199,546
Resources deferred in the period	190,122	142,203
Amounts released from previous periods	(142,203)	(199,546)
Deferred income at 31 August 2023	<u>190,122</u>	<u>142,203</u>

Deferred income as at 31 August 2023 represents; Universal Infant Free School Meal income for the period September 2023 to March 2024.

#### 15 Creditors: amounts falling due in greater than one year

	2023 £	2022 £
Loans	<u>175,370</u>	<u>110,171</u>

Loans of £80,363 from ESFA (Salix) which is provided on the following terms: Interest free loan, repayable in equal instalments twice yearly, over a repayment period of 8 years.

Loans of £95,007 from ESFA (CIF) which is provided on the following terms: interest charged at 2.07% per annum, repayable in equal monthly instalments, over a repayment period of 10 years.



# Horizon Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 16 Funds

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant	882,953	12,901,240	(12,441,803)	(415,435)	926,955
Pupil Premium	-	1,194,932	(1,194,932)	-	-
UIFSM	-	295,768	(295,768)	-	-
Other ESFA grants	23,060	578,926	(601,986)	-	-
Teacher pay and pension grants	-	31,691	(31,691)	-	-
Supplementary grant	-	371,614	(371,614)	-	-
TCAF grant	-	80,665	(80,665)	-	-
Local authority grants	-	1,768,750	(1,768,750)	-	-
Other government grants	-	4,250	(4,250)	-	-
Non government grants	-	15,034	(15,034)	-	-
Pension Reserve	(2,144,000)	(248,000)	(440,000)	2,436,000	(396,000)
	<u>(1,237,987)</u>	<u>16,994,870</u>	<u>(17,246,493)</u>	<u>2,020,565</u>	<u>530,955</u>
<b>Restricted fixed asset funds</b>					
Donated Assets from Local Authority	19,840,382	5,215,922	(441,223)	-	24,615,081
Capital grants and expenditure from GAG	897,043	207,967	(327,913)	220,384	997,481
Transfer of Assets from Existing Academies into the Trust	9,333,102	-	(273,509)	-	9,059,593
Condition Improvement Fund	5,283,047	(152,927)	(238,897)	75,164	4,966,387
Donated Assets from DfE	89,291	-	-	(89,291)	-
SCA fund	-	332,905	(84,197)	-	248,708
	<u>35,442,865</u>	<u>5,603,867</u>	<u>(1,365,739)</u>	<u>206,257</u>	<u>39,887,250</u>
Total restricted funds	34,204,878	22,598,737	(18,612,232)	2,226,822	40,418,205
<b>Unrestricted funds</b>					
Unrestricted general funds	997,089	1,062,246	(1,246,672)	212,459	1,025,122
Total funds	<u>35,201,967</u>	<u>23,660,983</u>	<u>(19,858,904)</u>	<u>2,439,281</u>	<u>41,443,327</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 16 Funds (continued)

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

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant	898,525	11,756,517	(11,621,686)	(150,403)	882,953
Pupil Premium	-	1,057,540	(1,057,540)	-	-
UFSM	-	237,005	(237,005)	-	-
Other ESFA grants	17,247	608,473	(602,660)	-	23,060
Local authority grants	-	1,236,602	(1,236,602)	-	-
Other government grants	-	5,557	(5,557)	-	-
Non government grants	-	1,272	(1,272)	-	-
<i>Restricted fixed asset funds</i>					
Donated Assets from Local Authority	20,244,070	-	(403,688)	-	19,840,382
Capital grants and expenditure from GAG	606,742	55,355	(192,080)	427,026	897,043
Transfer of Assets from Existing Academies into the Trust	9,607,421	-	(274,319)	-	9,333,102
Condition Improvement Fund	4,261,937	1,151,156	(259,476)	129,430	5,283,047
Donated Assets from DfE	92,115	55,147	(57,971)	-	89,291
<i>Pension reserve funds</i>					
Pension Reserve	(11,940,000)	-	(1,785,000)	11,581,000	(2,144,000)
<b>Total restricted funds</b>	<b>23,788,057</b>	<b>16,164,624</b>	<b>(17,734,856)</b>	<b>11,987,053</b>	<b>34,204,878</b>
<i>Unrestricted general funds</i>					
Unrestricted Funds	1,262,150	828,441	(687,449)	(406,053)	997,089
<b>Total unrestricted funds</b>	<b>1,262,150</b>	<b>828,441</b>	<b>(687,449)</b>	<b>(406,053)</b>	<b>997,089</b>
<b>Total endowment funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funds</b>	<b>25,050,207</b>	<b>16,993,065</b>	<b>(18,422,305)</b>	<b>11,581,000</b>	<b>35,201,967</b>

## **Horizon Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **16 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 2023 a transfer from of £212,459 from General Annual Grant to Unrestricted General Fund to cover the deficit of spending on Unrestricted General Funds.

During the year to 31 August 2023 a transfer from of £202,976 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 2022 a transfer from of £150,403 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 2022 a transfer of £406,053 was made from Unrestricted General Fund to Restricted Fixed Asset Funds is the result of Unrestricted General Funds being spent on capital.

Restricted Pension Funds represent the LGPS pension deficit.

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 16 Funds (continued)

##### Analysis of academies by cost

Expenditure incurred by each academy during the year (excluding depreciation of £1,232,193 and including central service contributions of £711,257) was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2023 £	Total 2022 £
Biggin Hill Primary School	2,776,180	565,966	160,879	600,381	4,103,406	4,671,366
Bilton Community Primary School	850,732	291,969	46,173	171,424	1,360,298	-
Cavendish Primary School	1,171,024	334,610	88,268	275,733	1,869,635	1,831,228
Cleeve Primary School	1,796,529	438,514	96,489	429,645	2,761,177	3,040,241
Gillshill Primary School	1,806,723	374,792	100,850	437,756	2,720,121	2,781,291
Spring Cottage Primary School	1,891,847	380,397	109,394	406,078	2,787,716	2,989,820
Thanet Primary School	1,699,826	422,493	63,069	389,797	2,575,185	2,725,176
Central services	278,959	480,461	45,883	355,127	1,160,430	618,302
Academy Trust	<u>12,271,820</u>	<u>3,289,202</u>	<u>711,005</u>	<u>3,065,941</u>	<u>19,337,968</u>	<u>18,657,424</u>

##### Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Biggin Hill Primary School	312,381	195,313
Bilton Community Primary School	6,730	-
Cavendish Primary School	232,540	327,982
Cleeve Primary School	264,120	219,828
Gillshill Primary School	69,413	155,249
Spring Cottage Primary School	109,857	55,572
Thanet Primary School	293,650	144,031
Central services	<u>663,386</u>	<u>805,127</u>
Total before fixed assets and pension reserve	1,952,077	1,903,102
Restricted fixed asset fund	39,887,250	35,442,865
Pension reserve	<u>(396,000)</u>	<u>(2,144,000)</u>
Total	<u>41,443,327</u>	<u>35,201,967</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	39,613,567	39,613,567
Current assets	1,025,122	2,581,104	273,683	3,879,909
Current liabilities	-	(1,654,149)	-	(1,654,149)
Pension scheme liability	-	(396,000)	-	(396,000)
Total net assets	<u>1,025,122</u>	<u>530,955</u>	<u>39,887,250</u>	<u>41,443,327</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	-	-	34,609,611	34,609,611
Current assets	997,089	2,771,784	833,254	4,602,127
Current liabilities	-	(1,755,600)	-	(1,755,600)
Creditors over 1 year	-	(110,171)	-	(110,171)
Pension scheme liability	-	(2,144,000)	-	(2,144,000)
Total net assets	<u>997,089</u>	<u>(1,237,987)</u>	<u>35,442,865</u>	<u>35,201,967</u>

#### 18 Capital commitments

	2023 £	2022 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>833,342</u>

#### 19 Financial commitments

##### *Operating leases*

At 31 August 2023 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	18,315	19,696
Amounts due between one and five years	<u>18,743</u>	<u>18,489</u>
	<u>37,058</u>	<u>38,185</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 20 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2023 £	2022 £
Net income/(expenditure)	3,802,079	(1,429,240)
Depreciation	1,232,193	1,083,132
Cash transferred on conversion to an academy trust	10,267	-
Donated capital and capital grants	(387,945)	(1,206,509)
Interest receivable	(454)	(581)
FRS 102 net interest on defined benefit pension scheme	109,000	210,000
FRS102 cost less contributions payable on defined benefit pension scheme	331,000	1,575,000
Decrease/(increase) in debtors	959,425	(75,292)
(Decrease)/increase in creditors	(284,248)	271,229
Inherited Pension	248,000	-
Net cash inflow from operating activities	<u>6,019,317</u>	<u>427,739</u>

#### 21 Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(16,985)	(12,539)
Cash inflows from new borrowing	89,610	41,888
Investments	454	581
Net cash provided by financing activities	<u>73,079</u>	<u>29,930</u>

#### 22 Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(1,051,825)	(1,876,793)
Proceeds from sale of tangible fixed assets	34,880	-
Capital grants from DfE	387,945	1,206,509
Inherited Assets	(5,215,922)	-
Net cash outflow from capital expenditure and financial investment	<u>(5,844,922)</u>	<u>(670,284)</u>

#### 23 Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	<u>3,345,623</u>	<u>3,108,416</u>
Total cash and cash equivalents	<u>3,345,623</u>	<u>3,108,416</u>

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 24 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Schools converted / transferred in £	At 31 August 2023 £
Cash	3,108,416	226,940	10,267	3,345,623
Loans falling due within one year	(17,608)	(7,425)	-	(25,033)
Loans falling due after more than one year	(110,171)	(65,199)	-	(175,370)
	<u>(127,779)</u>	<u>(72,624)</u>	<u>-</u>	<u>(200,403)</u>
Total	<u>2,980,637</u>	<u>154,316</u>	<u>10,267</u>	<u>3,145,220</u>

#### 25 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:

- a) 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
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the funding agreement.

#### 26 Member 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.

#### 27 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 . 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 2020 and of the LGPS 31 March 2019.

Contributions amounting to £248,849 (2022 - £229,699) were payable to the schemes at 31 August and are included within creditors.

#### 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.

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 27 Pension and similar obligations (continued)

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 2020. The valuation report was published by the Department for Education on 30 October 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £1,382,696 (2022: £1,185,345).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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 schemes East Riding Pension Fund

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 2023 was £1,289,000 (2022 - £1,093,000), of which employer's contributions totalled £1,002,000 (2022 - £857,000) and employees' contributions totalled £287,000 (2022 - £236,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by East Riding Pension Fund.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.



## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 27 Pension and similar obligations (continued)

##### Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.00	4.00
Rate of increase for pensions in payment/inflation	3.00	3.10
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.30</u>

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

	2023	2022
<b>Retiring today</b>		
Males retiring today	21.10	20.80
Females retiring today	24.00	23.50
<b>Retiring in 20 years</b>		
Males retiring in 20 years	21.90	22.00
Females retiring in 20 years	<u>25.50</u>	<u>25.30</u>

##### Sensitivity analysis

	2023	2022
	£	£
Discount rate -0.1%	350,000	357,000
Mortality assumption – 1 year increase	624,000	328,000
Pension rate +0.1%	324,000	32,000
Salary rate +0.1%	<u>32,000</u>	<u>599,000</u>

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

	2023	2022
	£	£
Equities	11,375,000	9,656,000
Other bonds	2,685,000	1,804,000
Property	1,423,000	1,287,000
Cash	<u>316,000</u>	<u>126,000</u>
Total market value of assets	<u>15,799,000</u>	<u>12,873,000</u>

The actual return on scheme assets was (£16,000) (2022 - (£195,000)).

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 27 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2022/23 £	2021/22 £
Current service cost	(1,333,000)	(2,432,000)
Interest income	587,000	207,000
Interest cost	<u>(696,000)</u>	<u>(417,000)</u>
Total amount recognized in the SOFA	<u>(1,442,000)</u>	<u>(2,642,000)</u>

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

	2022/23 £	2021/22 £
At start of period	15,017,000	24,065,000
Conversion of academy trusts	713,000	-
Current service cost	1,333,000	2,432,000
Interest cost	696,000	417,000
Employee contributions	287,000	236,000
Actuarial (gain)/loss	(2,122,000)	(11,983,000)
Benefits paid	<u>(322,000)</u>	<u>(150,000)</u>
At 31 August	<u>15,602,000</u>	<u>15,017,000</u>

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

	2022/23 £	2021/22 £
At start of period	12,873,000	12,125,000
Conversion of academy trusts	465,000	-
Interest income	587,000	207,000
Actuarial gain/(loss)	907,000	(402,000)
Employer contributions	1,002,000	857,000
Employee contributions	287,000	236,000
Benefits paid	<u>(322,000)</u>	<u>(150,000)</u>
At 31 August	<u>15,799,000</u>	<u>12,873,000</u>

Included in the LGPS pension liability movement in the Balance Sheet this year is £396,000 in relation to asset ceiling adjustments.

The £396,000 total asset ceiling adjustment amount has been included in the SOFA (Statement of Financial Activities) within FRS 102 actuarial gains on defined benefit pension schemes.

#### 28 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. The following related party transactions took place in the financial period.

##### 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.

## Horizon Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 29 Conversion to an academy trust

On 1 September 2022 the Bilton Community Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Horizon Academy Trust from the East Riding of Yorkshire Council Local Authority for £Nil consideration.

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

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	5,215,922	5,215,922
Budget surplus on LA funds	10,267	-	-	10,267
LGPS pension deficit	-	(248,000)	-	(248,000)
Net assets/(liabilities)	<u>10,267</u>	<u>(248,000)</u>	<u>5,215,922</u>	<u>4,978,189</u>

The above net assets include £10,267 that were transferred as cash.