

Company Registration No. 09896071 (England and Wales)

HORIZONS EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

HORIZONS EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of trustees' responsibilities	15
Independent auditor's report on the accounts	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21 - 22
Balance sheet	23
Statement of cash flows	24
Notes to the accounts including accounting policies	25 - 47

HORIZONS EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Browning
K Strong
J Ward
D Olney (Appointed 20 April 2021)

Trustees

L Adam
S Bailey (Chair of Trustees)
J Browning (Resigned 19 July 2021)
T G Gidi
J Lancaster-Adlam (Appointed 19 October 2021)
W Palmer
K Strong (Resigned 19 July 2021)
K Taylor (Accounting Officer)
J A Ward (Resigned 29 April 2021)
R Ward
M Westcott Rudd
M Williams (Appointed 23 March 2021)
I Yoney

Senior management team

- Executive Head of School	K Taylor
- Head Teacher - Spring Common Academy	J McIntosh
- Assistant Head Teacher - Spring Common Academy	L Aitken
- Assistant Head Teacher - Spring Common Academy	S Paynter
- Assistant Head Teacher - Spring Common Academy	C Place
- Head Teacher - Riverside Meadows Academy	S Anderson-Rawlins
- Assistant Head Teacher - Riverside Meadows Academy	H Gering
- Assistant Head Teacher - Riverside Meadows Academy	L Downton
- Accounting Officer	K Taylor

Company registration number

09896071 (England and Wales)

Registered office

Spring Common Academy
American Lane
Huntingdon
Cambridgeshire
PE29 1TQ
United Kingdom

Academies operated

Spring Common Academy
Riverside Meadows Academy

Location

Huntingdon
St Neots & Wisbech

Head Of School

J McIntosh
S Anderson-Rawlins

HORIZONS EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

Bankers

Lloyds Bank plc
6 Market Hill
Huntingdon
Cambridgeshire
PE18 6NR
United Kingdom

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Horizons Education Trust operates as MAT currently includes Spring Common Academy, special school pupils aged 2 - 19 (195 pupils) and Riverside Meadows Academy, Secondary SEMH school at St Neots and Wisbech. (90 pupils).

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Spring Common Academy Trust.

The trustees of Horizons Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of trustees

The Board of Trustees has set out in the articles of association that they must approve any new appointment of trustees to Horizons Education Trust and involve members. In the case of staff or parent representatives if more than one person is nominated an election for the post will be convened and that nominee will be subject to approval and adoption of the Board of Trustees. The Board of Trustees has contacted Academy Ambassadors and found additional trustees with supportive skills to strengthen the Trust and successfully recruited members in year.

Policies and procedures adopted for the induction and training of trustees

Policies and induction training for new Trustees is arranged with Cambridgeshire Local Authority Governor Services as a bought in professional service.

Organisational structure

From 1 May 2021 Spring Common Academy Trust changed as single entity part of a legal structure of a Multi – Academy Trust by certificate of incorporation to Horizons Education Trust – Company number 9896071.

The Executive Head of School is the Accounting Officer and leads day to day strategic work of the Trust, the Finance Manager is the Chief Financial Officer and Heads of School for Spring Common Academy and Riverside Meadows Academy are operational delivery with Academy Advisory Groups. Strategic decisions are made by the Full Board of Horizons Education Trust through their Trustees Strategic plan as advised by Finance, People and Premises which includes audit and health & Safety (FPP) and Teaching, learning & Welfare (which includes safeguarding TLW).

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

The Full Board of Trustees provides authorisation in relation to remuneration of key management personnel linked to the agreed staffing structure and budget. Horizons Education Trust adheres to the School Teachers Pay and Conditions Document and the pay scales therein and adopted Cambridgeshire Local Authority pay scales for all Support Staff. Remuneration for the Executive Head of School is determined by nominated Trustees with the support of an external adviser and approved by the Board of Trustees.

The Executive Head of School provides recommendations in relation to pay to the Finance, People and Premises Committee for authorisation using the salary scales approved by the Full Board of Trustees. For teachers pay, decisions are linked to a Pay Policy and career stage expectation profile that sets the expectations for teachers within main scale and upper pay scales. Objectives for leaders are set in relation to the advisory document 'National Standards of Excellence for Head of Schools' which uses four domains, qualities and knowledge, pupils and staff, systems and processes and the self - improving system.

Engagement with employees

The Trust does not have 250 employees therefore does not have requirements for Companies (Miscellaneous Reporting) regulations 2019. Spring Common Academy and Riverside Meadows Academy has an Academy Advisory group that provides information to staff on matters related to them, consultation about the budget and financial performance and opportunities to get involved in the annual Equalities review.

Related parties and other connected charities and organisations

Spring Common Academy Teaching School ceased with the introduction of a Teaching School regional super hub for Cambridgeshire and Peterborough. The Executive Head of School continues as a Designated National Leader in Education. Our purpose is to deliver system leadership within our Trust and within local area and region.

Horizons Education Trust continues a good productive relationship with Cambridgeshire Local Authority and supports the local offer for SEND children and families. We strive to maintain quality standards and link to a wide range of external organisations for guidance and advice which includes support for the Local Offer. Riverside Meadows Academy makes admissions from neighbouring local Authorities when placements are available.

The Board of Trustees have authorised the development of the National Autistic Society standards for children with autism as a day school and the use of quality standards from Autism Education Trust and Spring Common Academy achieved reaccreditation.

Health training is provided by qualified nurses from NHS Cambridgeshire Community Services (CCS) and the team of special school nurses. We welcome children with medical conditions and disabilities who will be provided with friendly and dedicated staff who work in partnership with parents and health professionals. Staff are trained in moving and handling trainers accredited by Edge Training Ltd. We train staff in Rebound therapy provided by Hadrian's School in Newcastle upon Tyne using our own trainers to ensure the safe use of trampolines with therapeutic aims. Our staff are also trained as deaf / blind Interveners from training by SENSE UK.

Communication and interaction are an important part of Education, health and care plans and the school promotes the use of Makaton (Makaton UK) and PECS (Pyramid Education) as communication systems and has local and region trainers. We purchase these training programmes to enable staff to support the speech therapy aims of speech therapists. Pupils that require augmentative communication systems or support for eating and drinking will be provided with advice from speech therapists from CCS.

In terms of social and emotional and mental health the trust purchases courses to enable five staff to conduct TEAM TEACH training from Team - Teach Ltd to reduce risk of restraint in both schools. Access to CAMH services locally and social care and community support services (Cambridgeshire County Council) is embedded.

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The Articles of Association of Horizons Education Trust determine that the objects are restricted to:

- a. To advance for the public benefit education in the UK. Establish, maintaining, carrying on, managing schools offering a broad and balanced curriculum appropriate to the needs of students who require special educational provision.
- b. To promote education for the benefit of inhabitants of which the Academy is situated with the object of improving the condition of life of pupils.
- c. Adhere to the Academies Handbook and terms and conditions of the commercial transfer agreement and funding agreement renewed on 01.05.2021 as part of the legal transfer of Riverside Meadows Academy.

Horizons Education Trust:

Our mission: We make a difference to the lives of children, young people and their families. We enrich the lives and educational experience of learners with special educational needs, preparing them for their future contributions to a dynamic society.

Our Values: Equality and respect, Excellence, Trust, aspiration and ownership, advocacy and inclusive Trust supports the NOLAN principles for public service.

Our Vision (used to create objectives with a 3-year plan:

1. A central team with expertise and capacity for a growing Trust.
2. 3 -year financial Plan.
3. Schools with culture of belonging and community safety
4. School improvement and quality assurance cycles for our schools.
5. Creative educational opportunities

Objectives, strategies and activities

At the start of the year, the Spring Common Academy development plan focussed on Trust strategic plan and school recovery milestones from Covid 19 and risk assessment for protective measures. Other priorities: 1) Curriculum implementation and resource management 2) SEND provision and re- visioning due to Covid 19, 3) Staff training and leadership development strengthened 4) Teaching School action plan 5) Premises, facilities and resource management including Capital Build at Spring Common Academy. The Trust strategy plan was reviewed by Trustees within the year 1) Trust vision statement and scheme of delegation reviewed.

Following further Trust working party groups, discussions continued about the role for Executive Head of School supporting the growth of the Trust and preparedness to move from a single academy to Trust with an Academy transfer, existing plan to open two new special schools and lead other projects. Information and advice provided allowed the Trustees to plan and recruitment for Head of School post full time for Spring Common Academy and establishment of Executive Head for this Trust role. With wider time capacity more strategic work has been possible.

The Trust working group refined the monitoring of risk and risk register moving away from a previous dashboard. Trustee recruitment for succession planning which was achieved to strengthen governance. Overall the number of meetings and scope of work of Trustees increased in year due to support for Covid and support for Academy transfer for Trust growth.

The Equalities Plan 2020 was reviewed and evaluated in February 2021 and following consultation to determine new Equality objectives and an accessibility plan from April 2021 was agreed by Trustees on 19.04.21. Riverside Meadows Equalities Plan following consultation prepared and approved by Trustees in May 2021.

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Teaching, Learning and Welfare Committee despite COVID continued scrutiny of standards including progress and targets for individual pupils linked to Education, Health and Care plan delivery. Review made consideration of progress of pupils from new baseline starting points as pupils returned to school after Covid lock down, end of Key Stages evaluated using Trust system called SCALES. Pupils not able to access subject specific curriculum used the DFE approved Model of Engagement. Trustees noted the vital role of moderation and quality assurance processes during Covid which lead to wider innovation to the curriculum. The independent School Improvement Adviser completed extensive school improvement reviews by TEAMS throughout the year, reported to Trustees.

Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

Spring Common Academy was inspected by Ofsted In November 2018 and found to be outstanding in all respects. This aspiration for these high standards has been sustained. Riverside Meadows Academy was inspected in June 2019 and rated good by Ofsted. Substantive audit and review of standards have raised gaps in learning from new baselines returning to school and reduced pupil exclusions and behaviour incidents. Our Trust is now building upon the reputation of previous Teaching School for collaboration, training and support to other schools. The External School Improvement Partners have reviewed key aspects for schools in addition to the Trust quality assurance cycle and review.

At Spring Common Academy outcomes for pupils are maintained at a high standard of quality education in relation to starting points within key stages and school entry. No externally published data for examination results this year. Prior results end of 2019 act as benchmarks: 1) KS 1 90%, 2) KS 2 98%, KS 3 93%, KS4 98% met or exceeded in maths and English with no variation between vulnerable groups.

Pupil premium plans and spend reviewed because our focus has been on Covid recovery and wellbeing and structures and routines. School Improvement partner was able to verify these outcomes. Despite constraints of Covid 19 all our leavers moved on to other providers to support independence and preparation for adulthood. Spring Common had no permanent or fixed term exclusions for 2020- 21 and significantly reduced for Riverside Meadows.

Key performance indicators

1. The Equalities Plan 2020 -21 included completion of the Education Capital Programme at Spring Common.
2. Tracking pupil outcomes and performance overtime: Spring Common Academy despite Covid continued digital learning journeys appreciated by parents.
3. Autism Accreditation renewed by National Autistic Society.
4. Personal development and welfare: The 'crossing Borders' project with Sint Josef – Klein – Seminarie in St Niklass in Belgium continued online. The project supports fundamental British values and appreciation of different cultures to enhance cultural capital for life in modern Britain. Significant personal development and welfare support provided by staff in response to Covid pandemic and online remote learning was effective.
5. Discovery TSA: The work of strategic partners included Initial Teacher training, Continued professional development and leadership opportunities for the local area and Cambridgeshire. Face to face events were cancelled due to Covid 19. The TSA closed and the Trust became a partner with Cambridgeshire and Peterborough super hub.
6. Progress made with design for new special schools at Alconbury Weald and Wisbech as part of Cambridgeshire Local Authority sufficiency duty.
7. Coaching and mentoring of staff developed including that of emerging leaders.
8. SEF reviews for both schools using latest Ofsted guidance and health and safety and fire protection reviewed for compliance.
9. Governance strengthened with recruitment of new Trustees and separation of members and Trustees, new Vision and values and Trustees Strategic Plan.

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10. Parent questionnaires indicates a high level of satisfaction for the service delivery of Spring Common Academy and effective safeguarding. Riverside Meadows Academy questionnaires and feedback comments also indicate good level of satisfaction for work of the school and transfer has enabled a wider review. There is a high regard for the Trust handling of government guidance for special schools and protective measures to support health and safety.
11. Pupil attendance this year was affected by government guidance related to Covid 19 and lock downs. Weekly tracking and engagement with families has supported improved attendance after outbreaks in local community.
12. Staff retention: During Covid 19 the Trust has successfully managed recruitment despite local recruitment difficulties in public sector.
13. Coaching culture: The implementation of coaching teams has enabled teachers to reduce workload and increased collaboration. Riverside Meadows will implement this in Spring 2021.
14. Staff induction and supervision: Appraisals were conducted and had impact on the priorities prepared by schools and the Quality Assurance cycle,

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Protecting the success of the academy trust

Under Section 172(1) (a) to (f) of Companies Act 2006 the Trustees consider the consequences of decisions in the longer - term environment, interests of employees, business interests of suppliers, impact on community and environment, reputational standards and fairness between members of the company.

Financial review

Principal sources of funding and how expenditure has supported the key objectives

A budget for 1 September 2021 - 31 August 2022 was approved by Trustees in July 2021. The sources of funding included:

- Carry forward recorded 31 August 2021 as £339,084
- General Annual Grant Statement 2021 -22 of £2,750,000
- Restricted funds included Teaching School and Discovery Teaching School Alliance, Pupil premium, Catch up and Sports premium.
- Cambridgeshire Local Authority top up funding not part of GAG statement for additional funded placements.

Note: Spring Common Academy inherited the Local Government pension scheme (LGPS) with a £2 million deficit. Riverside Meadows Academy Local Government scheme (LGPS) is separated for the Trust.

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Pressures on this initial budget build included:

- Additional costs due to Covid 19 not covered by DFE schemes
- Increase in Local Government pension scheme for employees.
- No increase in top up values for individual pupils
- Additional costs to support Academy transfer (in year expense not anticipated for growth of Trust)

The Trust has continued to review the Financial management and governance self - assessment completed 4 April 2016 followed up with a DfE audit in April 2016. The competitive tendering policy and Business Continuity Plan are still fit for purpose. The 2016 risk log was reviewed in July 2021. Trustees accepted this as complete with wider discussion of financial responsibilities in Academies Handbook 2021. All Trustees policies on the Trust website.

The Trust is compliant with the review of the Teacher Pension Scheme in March 2021. A further review of the LGPS scheme was circulated to Azets Audit Services and for the Trust for audit in November 2021.

The Trust cash funds at 1 September 2021 was £746,033.

Trustees approved a budget from 1 September 2021 to 31 August 2022 based upon the trends of expenditure and staffing structure approved in July 2021. Trustees reviewed expenditure and submitted Finance budget control reports to the Education & Skills Funding Agency. Our Finance manager who is a qualified Accountant completed monthly accounts for Trustees and financial reports.

Value for money statement:

Over the last year Trustees made due regard to regulations and considered best value for all purchases using an agreed scheme of delegation and best value principles. Specialist tendering ensured ICT strategic plan 2019 -2021 delivered. New ICT priorities implemented for both sites for Riverside Meadows Academy and infrastructure.

Budget September 2020 – End of August 2021:

The Annual budget was approved by Trustees for the period 1 September 2020 to 31 August 2021 in July 2021. A staffing structure for 2020 -2021 was approved based upon the pupil admissions and funding known at end of July 2020 and three -year projection discussion. Staffing structure implemented for Riverside Meadows subject to review.

Reserves policy

The trustees in 2018 -19 agreed a reserves policy to maintain reserves of approximately £200,000. This represents approximately 5% of the trust's ongoing annual income. This is required to provide a level of contingency funds against changes to pupil numbers and funding levels; delays in receiving funds for new pupils and any unforeseen but necessary expenditure. Trustees are also mindful of requirement to retain funds to support the development new Special schools without recourse to other funding.

The trust brought forward £269,044 of unrestricted funds at the 1 September 2020 with most of these reserves from the conversion to an academy in January 2016. The unrestricted reserves at 31 August 2021 increased to £291,838. As Teaching School has ceased and accounts subjected to audit by Accounts, funds added to training & Outreach.

Total reserves of the academy trust were £838,357 at 31 August 2021 (excluding fixed assets and the pension deficit). This includes the £404,518 restricted general funds. This is in excess of the £200,000 targeted reserves level and will be reviewed by trustees in 2021 -2022 in the light of an Academy 2021 transfer and additional expenditure required to support growth of two new special schools 2023.

Investment policy

Spring Common Academy or the newly transferred Riverside Academy does not have any investments because all funding is required to be available to the Board of Trustees and to be assigned to their strategic priorities. The investment income at 31 August 2021 of £129 was accrued bank interest.

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

1. The trust acknowledges that a principal risk is the recruitment and retention of experienced staff to maintain the highest standards. For this reason, our trustees have created Sustainability and succession plan to prioritise staff training and coaching required to prepare staff for the next level of post from their current position. We shall plan for outreach services and training to mitigate and replace the previous Teaching School remit in 2021 -22.
2. The trust is aware that no uplift in top up or funding for pupils has occurred over the last five years. Pay uplifts, pension and national insurance on-costs have been supported by DFE grant for teachers. Our pupils require a highly trained and motivated workforce and that will require a detailed staff training and development plan and budget as the school continues the Covid response and uncertainties facing all public services ahead.
3. The trust is actively preparing for growth and achieved approved sponsorship status with the DfE in 2017 to open a new special school at Alconbury Weald by Local Authority presumption by September 2023. A new replacement SEMH school for Wisbech will open for 60 pupils by September 2023.

Fundraising

The trust is compliant with the recognised standards of fundraising set out in the Code of Fundraising Practice. Horizons Education Trust does not use professional fundraisers and there have been no complaints received by the trust about fund raising activities carried out by the trust in the year.

Streamlined energy and carbon reporting

The Trust does not consume over 40,000 KWH of energy and is not required to report under Companies (Directors report) and Limited liability partnerships (Directors report) & Limited liabilities partnerships (Energy and carbon reporting) regulations 2018.

Plans for future periods

Trustees agreed their 2021 -2024 Strategic Plan following extensive Strategy discussion including support from a representative of National Governance Association with intent to review the action plan on an annual basis. The priorities objectives as follows:

1. Central team with expertise and capacity for a growing trust for specialist provision.
2. 3-year financial plan
3. Culture of belonging and community safety in our schools
4. School improvement and quality assurance cycles for schools
5. Creative educational opportunities
6. Community access and participation in local communities
7. Capacity and competencies to develop exceptional staff
8. Wider local, regional and national partnerships.

The Trustees aim to continue positive relationships with Cambridgeshire Local Authority and their SEND Commissioning to enable placement planning and sufficiency duty to continue to meet parental demand for special school placements in the local area.

There is intent to build upon relations with DFE and Regional School Commissioner to support system leadership to support special educational needs provision as opportunities arise. Connections have begun with other Local Authorities to enable them to understand the Trust aims and expertise available. Our trustees will ensure due diligence that their ambitious plans for future growth will not be detrimental to the aims and values of current schools within the trust as they strive to develop centres of excellence.

HORIZONS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far 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.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on and signed on its behalf by:

.....
S Bailey
Chair of Trustees

HORIZONS EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Horizons Education 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Head of School, 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 Horizons Education Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met nine times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
L Adam	7	9
S Bailey (Chair of Trustees)	9	9
J Browning (Resigned 19 July 2021)	7	9
T G Gidi	4	9
J Lancaster-Adlam (Appointed 19 October 2021)	0	0
W Palmer	8	9
K Strong (Resigned 19 July 2021)	8	9
K Taylor (Accounting Officer)	9	9
J A Ward (Resigned 29 April 2021)	0	0
R Ward	7	9
M Westcott Rudd	5	9
M Williams (Appointed 23 March 2021)	4	4
I Yoney	4	9

No change to composition of the committee structures but transfer of delegations for decision making to school Academy Advisory Groups to allow Trustees to become strategic and ready to support change management.

Chair of Trustees has completed her accreditation and leading with additional task and finish working groups on risk management, prioritisation of issues and streamline of reports to Board, growth and management of change. Covid focus has been on sustainability of provision during Covid outbreaks, remote learning impact and recovery.

Horizons Education Trust has continued online through TEAMS and the full calendar of meetings has been sustained.

Some Trustees have found meetings online an easier option and for most meetings attendance improved from previous years.

The Full Board met 6 times in year and both finance, people and premises (FPP) and Teaching, Learning and Welfare (TLW) met 6 times per year to report to the Board. Members now separated from Trustees met once last year and intend to meet twice per year unless issues arise for their consideration. During the year 3 extraordinary Full Board meetings were convened to discuss and approve the Covid 19 risk assessment and protective measures and members and Trustees met to support and discuss due diligence and to approve the transfer of a SEMH Academy into the Trust on 1 May 2021.

HORIZONS EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of value for money

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

The accounting officer considers how the academy 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:

Review of staffing structure and recruitment of staff to meet pupil demand

A staffing plan for 2020 -21 was delivered linking pupil needs to staff sufficiency. Detailed planning was undertaken by the Executive Head of School, Heads of School and Senior leadership team and then costed for affordability by the Finance Manager as the Chief Financial Officer and Executive Head of School. Our pupil outcome information indicated no variation in pupil's performance or detriment making use of special teaching assistants directly into the classroom to provide expertise. Some staffing during year was redirected to focus on remote learning and welfare calls to parents. Our feedback from new staff indicated that working with experienced staff supported them with Induction and extending skills. The Trust therefore needs to maintain a strategy of entry qualifications on recruitment and recognise that real time experience and supervision creates the most responsive staff.

Review of support staff roles in relation to administration and teaching school:

Over the last year again the school has reviewed the scope of administrative duties and begun to consider capacity for a wider central team for the growth of the Trust. The wider system leadership role of the Trust has placed additional administration, marketing and website maintenance and some rationalisation is required before 2023.

Review of cover supply costs and policies:

The impact of the rolling year for tracking sickness after staff consultation continues to have impact positively on staff overall absence. From recruitment staff are provided with advice about maintaining wellbeing and introduced to a coaching and mentoring culture of discussing stressful situations that may arise as a result of working with special needs pupils that have behaviours that challenge. The impact of Covid 19 meant the school focussed on safeguarding and infection control and continued to reduce use of agency supply as a strategy compared to previous years.

Benchmarking and Resource management:

The school makes effective use of the Resource management self – assessment tool and benchmarking costs to gain value for money compared to other schools and special schools. No comparative data available during Covid 19 but the Trust intends to deep dive into comparative costs for cleaning, catering and curriculum costs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Horizons Education Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

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 period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

HORIZONS EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 audit, finance, premises, and health & safety 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 considered the need for a specific internal audit function and employed Days Financial Consulting as an internal auditor.

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

- reviewing trustees' expense claims
- reviewing trustees' business interests
- reviewing ESFA income and agreeing back to source documentation
- sample checking miscellaneous income
- sample checking expenditure including salaries
- reviewing bank reconciliations and balances
- reviewing petty cash

On a twice - yearly basis, the internal auditor reports to the board of trustees through the Finance, People and premises committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. The internal audits were concluded and reports provided to Trustees and remedial and minor actions followed.

Review of effectiveness

As accounting officer the Head of School 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 auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit, finance, premises, and health & safety committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on and signed on its behalf by:

S Bailey
Chair of Trustees

K Taylor
Accounting Officer

HORIZONS EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Horizons Education Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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.

K Taylor
Accounting Officer

.....

HORIZONS EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Horizons Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

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

S Bailey
Chair of Trustees

HORIZONS EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZONS EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Horizons Education Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

HORIZONS EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZONS EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

HORIZONS EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZONS EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 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.

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

Use of our report

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

Mr Graham Jones BA FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

.....

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

HORIZONS EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 5 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizons Education Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Horizons Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Horizons Education Trust's funding agreement with the Secretary of State for Education dated 18 December 2015 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Trustees' meetings.

HORIZONS EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HORIZONS EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

Dated:

HORIZONS EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	3,863	-	3,115,520	3,119,383	14,983
Donations - transfer of existing academy into the trust		-	(766,000)	2,075,000	1,309,000	-
Charitable activities:						
- Funding for educational operations	4	39,098	4,798,734	-	4,837,832	4,084,055
- Funding for teaching school		-	23,003	-	23,003	57,463
Other trading activities	5	2,551	11,038	-	13,589	13,607
Investments	6	129	-	-	129	409
Total		<u>45,641</u>	<u>4,066,775</u>	<u>5,190,520</u>	<u>9,302,936</u>	<u>4,170,517</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	22,847	5,090,547	3,129,976	8,243,370	4,594,365
- Teaching school	28	-	8,886	-	8,886	25,506
Total	8	<u>22,847</u>	<u>5,099,433</u>	<u>3,129,976</u>	<u>8,252,256</u>	<u>4,619,871</u>
Net income/(expenditure)		22,794	(1,032,658)	2,060,544	1,050,680	(449,354)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(1,387,000)	-	(1,387,000)	42,000
Net movement in funds		22,794	(2,419,658)	2,060,544	(336,320)	(407,354)
Reconciliation of funds						
Total funds brought forward		382,000	(4,781,824)	6,719,542	2,319,718	2,727,072
Total funds carried forward		<u>404,794</u>	<u>(7,201,482)</u>	<u>8,780,086</u>	<u>1,983,398</u>	<u>2,319,718</u>

HORIZONS EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2020
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	4,462	-	10,521	14,983
Charitable activities:					
- Funding for educational operations	4	19,514	4,064,541	-	4,084,055
- Funding for teaching schools		6,240	51,223	-	57,463
Other trading activities	5	1,307	12,300	-	13,607
Investments	6	409	-	-	409
Total		<u>31,932</u>	<u>4,128,064</u>	<u>10,521</u>	<u>4,170,517</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	18,945	4,458,615	116,805	4,594,365
- Teaching schools	28	-	25,506	-	25,506
Total	8	<u>18,945</u>	<u>4,484,121</u>	<u>116,805</u>	<u>4,619,871</u>
Net income/(expenditure)		12,987	(356,057)	(106,284)	(449,354)
Transfers between funds	19	-	(33,640)	33,640	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	42,000	-	42,000
Net movement in funds		12,987	(347,697)	(72,644)	(407,354)
Reconciliation of funds					
Total funds brought forward		369,013	(4,434,127)	6,792,186	2,727,072
Total funds carried forward		<u>382,000</u>	<u>(4,781,824)</u>	<u>6,719,542</u>	<u>2,319,718</u>

HORIZONS EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		8,751,041		6,678,985
Current assets					
Debtors	16	431,769		82,104	
Cash at bank and in hand		746,033		679,138	
		<u>1,177,802</u>		<u>761,242</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(339,445)		(201,509)	
Net current assets			838,357		559,733
Net assets excluding pension liability			9,589,398		7,238,718
Defined benefit pension scheme liability	21	(7,606,000)		(4,919,000)	
Total net assets			<u>1,983,398</u>		<u>2,319,718</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			8,780,086		6,719,542
- Restricted income funds			404,518		137,176
- Pension reserve			(7,606,000)		(4,919,000)
Total restricted funds			<u>1,578,604</u>		<u>1,937,718</u>
Unrestricted income funds	19		404,794		382,000
Total funds			<u>1,983,398</u>		<u>2,319,718</u>

The accounts on pages 21 to 47 were approved by the trustees and authorised for issue on and are signed on their behalf by:

.....
S Bailey
Chair of Trustees

Company Number 09896071

HORIZONS EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	22		(26,535)		133,259
Cash flows from investing activities					
Dividends, interest and rents from investments		129		409	
Capital grants from DfE Group		17,428		10,521	
Capital funding received from sponsors and others		98,092		-	
Purchase of tangible fixed assets		(22,219)		(33,640)	
		<u> </u>		<u> </u>	
Net cash provided by/(used in) investing activities			93,430		(22,710)
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents in the reporting period			66,895		110,549
Cash and cash equivalents at beginning of the year			679,138		568,589
			<u> </u>		<u> </u>
Cash and cash equivalents at end of the year			746,033		679,138
			<u> </u>		<u> </u>
Relating to:					
Bank and cash balances			545,846		579,016
Short term deposits			200,187		100,122
			<u> </u>		<u> </u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Horizons Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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.

1.1 Basis of preparation

The accounts 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the academy trust. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern including the continued impact of COVID-19. The trustees have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net 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 for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired. Further details of the transaction are set out in note 27.

1.4 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.

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are 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.

1.5 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 are 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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Leasehold land and buildings that Spring Common Academy operate from were valued by the trustees on conversion and brought into the accounts at that valuation. During the year a valuation that was commissioned by the ESFA as at 31 August 2020 was received and the land and buildings have been impaired down to that valuation.

Leasehold land and buildings that Riverside Meadows Academy operate from are included in the accounts at an ESFA valuation from the date of joining the Trust.

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

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

Leasehold buildings	2% per annum on a straight line basis
Fixtures, fittings & equipment	15% per annum on a reducing balance basis
Motor vehicles	20% per annum on a reducing balance basis

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.

1.7 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.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

The land and buildings from which the academy operate are leased from the Local Authority at £nil rent. A commercial value of the lease has not been included in these accounts as expenditure or donated income.

1.9 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.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.10 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.

1.11 Pensions 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 and the assets are held separately from those of the academy trust.

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 quadrennial valuations using a prospective unit credit method. The 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 are 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 or 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.

1.12 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.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 Education and Skills Funding Agency/Department for Education.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments are received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use an allocation towards its own administration costs but has not done so in the year. The funds received and paid, and any balances held are disclosed in note 26.

2 Critical accounting estimates and areas of judgement

Accounting 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.

Local Government Pension Scheme:

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 August 2021. 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.

Valuation of property:

Leasehold land and buildings that Spring Common Academy operate from were valued by the trustees on conversion and brought into the accounts at that valuation. During the year a valuation that was commissioned by the ESFA as at 31 August 2020 was received and the land and buildings have been impaired down to that valuation. Additions to leasehold buildings in the year relate to a donation of capital works including new classrooms from the Local Authority. This has been brought in at £3,000,000 based on a management valuation of work done.

Leasehold land and buildings that Riverside Meadows Academy operate from are included in the accounts at an ESFA valuation of £2,075,000 from the date of joining the Trust.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	3,000,000	3,000,000	-
Capital grants	-	115,520	115,520	10,521
Other donations	3,863	-	3,863	4,462
	<u>3,863</u>	<u>3,115,520</u>	<u>3,119,383</u>	<u>14,983</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,216,667	2,216,667	1,950,000
Other DfE / ESFA grants:				
UIFSM	-	6,389	6,389	12,817
Pupil premium	-	102,772	102,772	85,226
Start up grants	-	25,000	25,000	-
PE and sports premium	-	16,830	16,830	16,760
Others	-	6,277	6,277	7,929
	<u>-</u>	<u>2,373,935</u>	<u>2,373,935</u>	<u>2,072,732</u>
Other government grants				
Local authority grants	-	2,314,756	2,314,756	2,001,264
	<u>-</u>	<u>2,314,756</u>	<u>2,314,756</u>	<u>2,001,264</u>
COVID-19 additional funding (DfE / ESFA)				
COVID catch up funding	-	56,040	56,040	-
COVID emergency support funding	-	(11,050)	(11,050)	26,393
COVID mass testing funding	-	61,155	61,155	-
	<u>-</u>	<u>106,145</u>	<u>106,145</u>	<u>26,393</u>
Other incoming resources	39,098	26,901	65,999	34,889
	<u>39,098</u>	<u>26,901</u>	<u>65,999</u>	<u>34,889</u>
Total funding	<u>39,098</u>	<u>4,821,737</u>	<u>4,860,835</u>	<u>4,135,278</u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations (Continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding (DfE / ESFA)".

The Trust received £56,040 of funding for COVID catch-up premium which has been spent in the year.

The amount of (£11,050) for COVID emergency support funding relates to a claim that was accrued in 2020 that was not paid by the ESFA.

The Trust received £61,155 of funding for COVID mass testing which has been spent in the year.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Catering income	1,145	-	1,145	430
Training and consultancy income	-	-	-	6,240
Supply teacher insurance receipts	-	11,038	11,038	12,300
Other income	1,406	-	1,406	877
	<u>2,551</u>	<u>11,038</u>	<u>13,589</u>	<u>19,847</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	129	-	129	409
	<u>129</u>	<u>-</u>	<u>129</u>	<u>409</u>

7 Central services

The academy trust has provided the following central services to its academies during the year:

- property management;
- HR;
- payroll;
- finance systems;
- governance;
- audit.

The academy trust charges for these services on the following basis:

- 5% of income.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Central services

(Continued)

The amounts charged during the year were as follows:

	2021 £	2020 £
Spring Common Academy	64,453	-
Riverside Meadows Academy	32,226	-
	<u>96,679</u>	<u>-</u>

8 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	3,662,413	-	176,352	3,838,765	3,268,765
- Allocated support costs	793,225	3,324,553	286,827	4,404,605	1,325,600
Teaching School					
- Direct costs	-	-	8,886	8,886	25,506
	<u>4,455,638</u>	<u>3,324,553</u>	<u>472,065</u>	<u>8,252,256</u>	<u>4,619,871</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	6,750	6,660
- Other services	1,702	775
Depreciation and impairment of tangible fixed assets	3,025,163	116,805
Net interest on defined benefit pension liability	93,000	90,000
	<u>3,126,615</u>	<u>1,370,240</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	4,543	3,834,222	3,838,765	3,268,765
Teaching School	-	8,886	8,886	25,506
Support costs				
Educational operations	18,304	4,386,301	4,404,605	1,325,600
	<u>22,847</u>	<u>8,229,409</u>	<u>8,252,256</u>	<u>4,619,871</u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities	(Continued)	
Analysis of costs	2021	2020
	£	£
Direct costs		
Teaching and educational support staff costs	3,662,413	3,173,178
Staff development	20,579	15,349
Technology costs	95,118	24,877
Educational supplies and services	48,515	54,510
Other direct costs	21,026	26,357
	<u>3,847,651</u>	<u>3,294,271</u>
Support costs		
Support staff costs	793,225	786,923
Depreciation and impairment	3,025,163	116,805
Technology costs	13,479	7,842
Maintenance of premises and equipment	160,200	46,235
Rent, rates and other occupancy costs	139,190	112,701
Security and transport	5,688	6,447
Catering	79,629	60,070
Finance costs	93,000	90,000
Other support costs	58,821	86,895
Governance costs	36,210	11,682
	<u>4,404,605</u>	<u>1,325,600</u>
10 Governance costs		
	Total	Total
All from restricted funds:	2021	2020
	£	£
Amounts included in support costs		
Legal costs	21,066	-
Auditor's remuneration		
- Audit of financial statements	6,750	6,660
- Other audit costs	1,702	775
Trustees' reimbursed expenses	897	1,057
Other governance costs	5,795	3,190
	<u>36,210</u>	<u>11,682</u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

Staff costs

Staff costs during the year were:

	2021	2020
	£	£
Wages and salaries	2,990,383	2,593,708
Social security costs	261,532	220,671
Pension costs	1,094,731	911,226
	<u>4,346,646</u>	<u>3,725,605</u>
Staff costs - employees	4,346,646	3,725,605
Agency staff costs	108,992	234,496
	<u>4,455,638</u>	<u>3,960,101</u>
Staff development and other staff costs	20,579	15,349
	<u>4,476,217</u>	<u>3,975,450</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2021	2020
	Number	Number
Teachers	38	28
Administration and support	103	82
Management	1	1
	<u>142</u>	<u>111</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021	2020
	Number	Number
Teachers	36	26
Administration and support	84	67
Management	1	1
	<u>121</u>	<u>94</u>

Higher paid staff

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

	2021	2020
	Number	Number
£60,001 to £70,000	1	1
£100,001 to £110,000	1	1

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

(Continued)

Of the employees whose emoluments exceeded £60,000, 2 (2020 - 2) have retirement benefits accruing under defined benefit pension schemes. During the year pension contributions for these staff members amounted to £41,703 (2020 - £41,101).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £528,509 (2020 - £448,158).

12 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head of School and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head of School and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration for the year was as follows:

K Taylor (Head of School of special school group 6 and trustee)
Remuneration £100,001 - £110,000 (2020 - £100,001 - £110,000)
Employer's pension contributions £25,001 - £30,000 (2020 - £20,001 - £25,000)

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £25,000,000 on any one claim and the cost for the year ended 31 August 2021 was included in the total insurance cost.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

	Leasehold buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2020	7,153,372	23,523	33,640	7,210,535
Transfer of school joining	2,075,000	-	-	2,075,000
Additions	3,022,219	-	-	3,022,219
Revaluation	(3,453,372)	-	-	(3,453,372)
At 31 August 2021	8,797,219	23,523	33,640	8,854,382
Depreciation				
At 1 September 2020	525,459	5,530	561	531,550
Revaluation	(525,459)	-	-	(525,459)
Charge for the year	87,935	2,699	6,616	97,250
At 31 August 2021	87,935	8,229	7,177	103,341
Net book value				
At 31 August 2021	8,709,284	15,294	26,463	8,751,041
At 31 August 2020	6,627,913	17,993	33,079	6,678,985

Leasehold land and buildings that Spring Common Academy operate from were valued by the trustees on conversion and brought into the accounts at that valuation. During the year a valuation that was commissioned by the ESFA as at 31 August 2020 was received and the land and buildings have been impaired down to that valuation.

Additions to leasehold buildings in the year relate to a donation of capital works including new classrooms from the Local Authority. This has been brought in at £3,000,000 based on a management valuation of work done. Expenditure of £22,219 relates to other building costs incurred in the year.

Leasehold land and buildings that Riverside Meadows Academy operate from are included in the accounts at an ESFA valuation of £2,075,000 from the date of joining the Trust.

15 Financial instruments

	2021	2020
	£	£
Carrying amount of financial assets		
Trade debtors	260,264	-
Accrued income	51,184	40,865
Bank and cash	746,033	679,138
	1,057,481	720,003

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Financial instruments		(Continued)	
Carrying amount of financial liabilities			
Trade creditors	1,444	41,652	
Other creditors	134,651	62,664	
Accruals	99,465	34,856	
	<u>235,560</u>	<u>139,172</u>	
	<u><u>235,560</u></u>	<u><u>139,172</u></u>	
16 Debtors			
	2021	2020	
	£	£	
Trade debtors	260,264	-	
VAT recoverable	53,619	11,467	
Prepayments and accrued income	117,886	70,637	
	<u>431,769</u>	<u>82,104</u>	
	<u><u>431,769</u></u>	<u><u>82,104</u></u>	
17 Creditors: amounts falling due within one year			
	2021	2020	
	£	£	
Trade creditors	1,444	41,652	
Other taxation and social security	82,215	51,709	
Other creditors	134,651	62,664	
Accruals and deferred income	121,135	45,484	
	<u>339,445</u>	<u>201,509</u>	
	<u><u>339,445</u></u>	<u><u>201,509</u></u>	
18 Deferred income			
	2021	2020	
	£	£	
Deferred income is included within:			
Creditors due within one year	21,670	10,628	
	<u>21,670</u>	<u>10,628</u>	
	<u><u>21,670</u></u>	<u><u>10,628</u></u>	
Deferred income at 1 September 2020	10,628	24,522	
Released from previous years	(10,628)	(24,522)	
Resources deferred in the year	21,670	10,628	
	<u>21,670</u>	<u>10,628</u>	
	<u><u>21,670</u></u>	<u><u>10,628</u></u>	
Deferred income at 31 August 2021	21,670	10,628	
	<u><u>21,670</u></u>	<u><u>10,628</u></u>	

Deferred income relates to a grant received of £4,798 (2020 - £2,572) for Universal Infant Free School Meals for the first term of the next financial year, SEN income received in advance of £nil (2020 - £8,056) and an NCTL grant of £16,872 (2020 - £nil) for the teaching school for the next financial year.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	81,264	2,216,667	(1,958,847)	-	339,084
Start up grants	-	25,000	(25,000)	-	-
UIFSM	-	6,389	(6,389)	-	-
Pupil premium	-	102,772	(102,772)	-	-
PE and sports premium	4,595	16,830	(21,425)	-	-
Other DfE / ESFA grants	-	6,277	(6,277)	-	-
Other government grants	-	2,397,898	(2,397,898)	-	-
Teaching school grant	35,942	23,003	(8,886)	-	50,059
COVID mass testing funding	-	(11,050)	11,050	-	-
COVID catch up funding	-	61,155	(61,155)	-	-
COVID catch up funding	-	56,040	(56,040)	-	-
Other restricted funds	15,375	37,939	(37,939)	-	15,375
Pension reserve	(4,919,000)	(766,000)	(534,000)	(1,387,000)	(7,606,000)
	<u>(4,781,824)</u>	<u>4,066,775</u>	<u>(5,099,433)</u>	<u>(1,387,000)</u>	<u>(7,201,482)</u>
Restricted fixed asset funds					
Inherited on conversion	6,627,913	2,075,000	(3,015,848)	3,022,219	8,709,284
DfE group capital grants	40,557	115,520	(104,813)	(22,219)	29,045
Capital expenditure from GAG	51,072	-	(9,315)	-	41,757
Assets donated to academy	-	3,000,000	-	(3,000,000)	-
	<u>6,719,542</u>	<u>5,190,520</u>	<u>(3,129,976)</u>	<u>-</u>	<u>8,780,086</u>
Total restricted funds	<u>1,937,718</u>	<u>9,257,295</u>	<u>(8,229,409)</u>	<u>(1,387,000)</u>	<u>1,578,604</u>
Unrestricted funds					
General funds	269,044	40,957	(18,163)	-	291,838
Discovery teaching school	112,956	-	-	-	112,956
Trips and events	-	4,684	(4,684)	-	-
	<u>382,000</u>	<u>45,641</u>	<u>(22,847)</u>	<u>-</u>	<u>404,794</u>
Total funds	<u>2,319,718</u>	<u>9,302,936</u>	<u>(8,252,256)</u>	<u>(1,387,000)</u>	<u>1,983,398</u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

General Annual Grant (GAG):

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

The restricted grant income in the year all relates to the provision of education for the students attending the academy.

The pension provision equates to the deficit on the Local Government Pension Scheme FRS102 valuation. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Restricted fixed assets funds represent capital funding received from the ESFA and other sources. In accordance with the accounting policies set out in note 1, assets are capitalised where applicable, and depreciation is charged to this fund over the assets' useful economic life. Where costs are not capital in nature they are charged directly to this fund as an expense.

Designated funds have been set aside by the trustees for use in a variety of different areas.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	90,648	1,950,000	(1,925,744)	(33,640)	81,264
Other DfE / ESFA grants	10,225	122,732	(92,420)	-	40,537
Other government grants	-	2,027,657	(2,027,657)	-	-
Other restricted funds	-	27,675	(12,300)	-	15,375
Pension reserve	(4,535,000)	-	(426,000)	42,000	(4,919,000)
	<u>(4,434,127)</u>	<u>4,128,064</u>	<u>(4,484,121)</u>	<u>8,360</u>	<u>(4,781,824)</u>
Restricted fixed asset funds					
Transfer on conversion	6,740,979	-	(113,066)	-	6,627,913
DfE group capital grants	30,036	10,521	-	-	40,557
Capital expenditure from GAG	21,171	-	(3,739)	33,640	51,072
	<u>6,792,186</u>	<u>10,521</u>	<u>(116,805)</u>	<u>33,640</u>	<u>6,719,542</u>
Total restricted funds	<u>2,358,059</u>	<u>4,138,585</u>	<u>(4,600,926)</u>	<u>42,000</u>	<u>1,937,718</u>
Unrestricted funds					
General funds	262,297	18,610	(11,863)	-	269,044
Discovery teaching school	106,716	6,240	-	-	112,956
After school club	-	4,462	(4,462)	-	-
Trips and events	-	2,620	(2,620)	-	-
	<u>369,013</u>	<u>31,932</u>	<u>(18,945)</u>	<u>-</u>	<u>382,000</u>
Total funds	<u>2,727,072</u>	<u>4,170,517</u>	<u>(4,619,871)</u>	<u>42,000</u>	<u>2,319,718</u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds (Continued)

Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
Spring Common Academy	627,853	519,176
Riverside Meadows Academy	181,459	-
	<u>809,312</u>	<u>519,176</u>
Total before fixed assets fund and pension reserve	809,312	519,176
Restricted fixed asset fund	8,780,086	6,719,542
Pension reserve	(7,606,000)	(4,919,000)
	<u>1,983,398</u>	<u>2,319,718</u>
Total funds	<u><u>1,983,398</u></u>	<u><u>2,319,718</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
Spring Common Academy	3,176,120	646,902	43,099	505,893	4,372,014	4,503,066
Riverside Meadows Academy	437,193	106,665	5,416	184,126	733,400	-
Central services	49,100	39,658	-	32,921	121,679	-
	<u>3,662,413</u>	<u>793,225</u>	<u>48,515</u>	<u>722,940</u>	<u>5,227,093</u>	<u>-</u>
	<u><u>3,662,413</u></u>	<u><u>793,225</u></u>	<u><u>48,515</u></u>	<u><u>722,940</u></u>	<u><u>5,227,093</u></u>	<u><u>-</u></u>

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
	£	£	£	£
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	8,751,041	8,751,041
Current assets	404,794	743,963	29,045	1,177,802
Creditors falling due within one year	-	(339,445)	-	(339,445)
Defined benefit pension liability	-	(7,606,000)	-	(7,606,000)
	<u>404,794</u>	<u>(7,201,482)</u>	<u>8,780,086</u>	<u>1,983,398</u>
Total net assets	<u><u>404,794</u></u>	<u><u>(7,201,482)</u></u>	<u><u>8,780,086</u></u>	<u><u>1,983,398</u></u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	6,678,985	6,678,985
Current assets	382,000	338,685	40,557	761,242
Creditors falling due within one year	-	(201,509)	-	(201,509)
Defined benefit pension liability	-	(4,919,000)	-	(4,919,000)
Total net assets	382,000	(4,781,824)	6,719,542	2,319,718

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £90,960 were payable to the schemes at 31 August 2021 (2020 - £62,664) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £313,378 (2020 - £254,662).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23% for employers and 5.5% to 10.5% for employees.

The estimated value of employer contributions for the forthcoming year is £423,000.

As described in note the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2021 £	2020 £
Employer's contributions	354,000	314,000
Employees' contributions	90,000	79,000
Total contributions	<u>444,000</u>	<u>393,000</u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations	(Continued)	
Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.40	2.7
Rate of increase for pensions in payment/inflation	2.90	2.2
Discount rate for scheme liabilities	1.65	1.7
	<u> </u>	<u> </u>
<p>The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:</p>		
	2021	2020
	Years	Years
Retiring today		
- Males	22.2	22.0
- Females	24.4	24.0
Retiring in 20 years		
- Males	23.2	22.7
- Females	26.2	25.5
	<u> </u>	<u> </u>
<p>Scheme liabilities would have been affected by changes in assumptions as follows:</p>		
	2021	2020
0.1% (2020 - 0.5%) decrease in Real Discount Rate	320,000	1,043,000
0.1% (2020 - 0.5%) increase in the Salary Increase Rate	28,000	107,000
0.1% (2020 - 0.5%) increase in the Pension Increase Rate	287,000	918,000
	<u> </u>	<u> </u>
Defined benefit pension scheme net liability	2021	2020
	£	£
Scheme assets	4,725,000	3,013,000
Scheme obligations	(12,331,000)	(7,932,000)
Net liability	<u>(7,606,000)</u>	<u>(4,919,000)</u>
	<u> </u>	<u> </u>
The academy trust's share of the assets in the scheme	2021	2020
	Fair value	Fair value
	£	£
Equities	3,166,000	2,109,000
Bonds	803,000	331,000
Property	662,000	452,000
Other assets	94,000	121,000
Total market value of assets	<u>4,725,000</u>	<u>3,013,000</u>
	<u> </u>	<u> </u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

The actual return on scheme assets was £668,000 (2020: £173,000).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	795,000	650,000
Interest income	(58,000)	(51,000)
Interest cost	151,000	141,000
Total operating charge	<u>888,000</u>	<u>740,000</u>
Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	7,932,000	7,054,000
Transferred in on existing academies joining the academy trust	1,438,000	-
Current service cost	795,000	650,000
Interest cost	151,000	141,000
Employee contributions	90,000	79,000
Actuarial loss	1,997,000	80,000
Benefits paid	(72,000)	(72,000)
At 31 August 2021	<u>12,331,000</u>	<u>7,932,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2021 £	2020 £
At 1 September 2020	3,013,000	2,519,000
Transferred in on existing academies joining the academy trust	672,000	-
Interest income	58,000	51,000
Actuarial gain	610,000	122,000
Employer contributions	354,000	314,000
Employee contributions	90,000	79,000
Benefits paid	(72,000)	(72,000)
At 31 August 2021	<u>4,725,000</u>	<u>3,013,000</u>

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,050,680	(449,354)
Adjusted for:		
Net surplus on transfer of academy in the trust	(1,309,000)	-
Capital grants from DfE and other capital income	(3,115,520)	(10,521)
Investment income receivable	(129)	(409)
Defined benefit pension costs less contributions payable	441,000	336,000
Defined benefit pension scheme finance cost	93,000	90,000
Depreciation of tangible fixed assets	3,025,163	116,805
(Increase) in debtors	(349,665)	(13,227)
Increase in creditors	137,936	63,965
Net cash (used in)/provided by operating activities	<u>(26,535)</u>	<u>133,259</u>

23 Analysis of changes in net funds

	1 September 2020	Cash flows	31 August 2021
	£	£	£
Cash	579,016	(33,170)	545,846
Cash equivalents	100,122	100,065	200,187
	<u>679,138</u>	<u>66,895</u>	<u>746,033</u>

24 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place during this period.

Currently none of the trustees have children who are pupils at the academy, therefore there are no transactions between those trustees and the academy in respect of their children's education.

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

HORIZONS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period the academy trust received £2,977 (2020 - £3,969) and disbursed £2,977 (2020 - £3,969) from the fund. An amount of £nil (2020 - £nil) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

27 Transfer of existing academies into the academy trust

Riverside Meadows Academy

	Transfer in recognised £
Net assets acquired	
Leasehold land and buildings	2,075,000
Pension scheme	(766,000)
	<hr/>
Total net assets	1,309,000
	<hr/> <hr/>

There were no fair value adjustments required to the values reported by the transferring trust.

28 Teaching School trading account

	2021		2020	
	£	£	£	£
Direct income				
Government grants		23,003		51,223
Other income		-		6,240
		<hr/>		<hr/>
Total income		23,003		57,463
Direct costs				
Other direct costs	8,886		25,506	
	<hr/>		<hr/>	
Total operating costs		(8,886)		(25,506)
		<hr/>		<hr/>
Surplus from Teaching School		14,117		31,957
Teaching School balances at 1 September 2020		148,898		116,941
		<hr/>		<hr/>
Teaching School balances at 31 August 2021		163,015		148,898
		<hr/> <hr/>		<hr/> <hr/>