

**HORIZON MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**HORIZON MULTI ACADEMY TRUST  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	F Court D Farmer (resigned 31 August 2016) D Green (resigned 31 August 2016) M Orchard (appointed 1 September 2016) I Roberts (appointed 1 September 2016)
<b>Trustees</b>	D Bradford, Chief Executive F Court J Dobson E Roberts, Vice Chair (appointed 1 September 2016) P Gale (appointed 1 September 2016) S Jones, Chair of Trustees (appointed 1 September 2016) S Shelley (appointed 1 September 2016) A J Evans (appointed 1 September 2016) C Redding (appointed 1 September 2016)
<b>Company registered number</b>	08084557
<b>Company name</b>	Horizon Multi Academy Trust
<b>Principal and registered office</b>	Haye Road South Elburton Plymouth Devon PL9 8HJ
<b>Company secretary</b>	S Goode
<b>Accounting Officer</b>	D Bradford
<b>Senior leadership team</b>	D Bradford, CEO A Pearce, Business Operations Manager M Ford, Business & Finance Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**HORIZON MULTI ACADEMY TRUST  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 3 primary academies in Plymouth. Its academies have a combined pupil capacity of 824 and had a roll of 844 in the school census on 1 May 2017.

**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 Trustees of Horizon Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Horizon Multi Academy Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Board of Trustees is made up of eight appointed Trustees and the CEO of the Trust. They are appointed by the directors of the Trust.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Board of Trustees and CEO are aware that it is essential that all new Trustees receive a comprehensive induction package covering a broad range of issues. We are committed to ensure that new Trustees are given the necessary information and support to fulfill their role with confidence and we are continually looking at new and better ways to improve this induction process. We believe that well-informed Trustees lead to more effective governance. All new Trustees are welcomed to the Board of Trustees.

New Trustees will:

- be welcomed to the Trust body by the chair and vice chair, who will explain how the Trust body and its committees are conducted, an overview of the governor's role and governor training;
- be invited by the CEO to visit the Trust schools, where they will be given a tour to experience its atmosphere, meet staff and children and understand its ethos;
- have the opportunity to meet informally with existing Trustees and learn more about the role of being a Trustee;
- be given background material on the Trust and current issues;

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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- be encouraged to ask questions about their role and/or the Trust;
- be encouraged to access training including induction training for Trustees;
- the existing members of the Trust body are encouraged to mentor new Trustees.

New Trustees will receive and be encouraged to read:

- Ofsted Reports;
- Development plans and business plans for the Trust;
- Most recent financial reports and annual budget plan;
- Set of Minutes from last Trust Body meeting;
- List of Trustees names and responsible areas;
- Access to Horizon website;
- Dates of forthcoming Trust body meetings and committee.

**Organisational Structure**

There are three members of the Horizon Multi Academy Trust. The Members determine the ethos and purpose of the Trust (i.e. the provision of education) and the way it will be governed (which will be set out in the Articles of Association) and will have a right (not an obligation) to participate in governance by appointing and removing Trustees. They also have a right to receive the Trustees' annual report and accounts and to attend general meetings of the Trust.

There are nine Trustees on the Horizon Multi Academy Trust Board. The Board is constituted under the Memorandum of Association and Articles of Association. The Board is responsible for ensuring that high standards of corporate governance are maintained. It should exercise its powers and functions with a view to fulfilling a largely strategic leadership role in three broad areas of work:

**Strategy**

- Establishing and steering the Trust's clarity of purpose;
- Overseeing effective governance and decision-making;
- Scrutinising plans for growth or consolidation.

**Financial stewardship**

- Ensuring the Trust is financially competent and has a sustainable budget.

**Performance**

- Ensuring pupils are making progress – gaining the best education and experience possible;
- Putting in place effective leadership and holding the executive leadership to account;
- Managing risk: ensuring that the Trust is meeting its statutory and legal responsibilities.

It is responsible for ensuring that the school is run in accordance with the Articles of Association and the Funding Agreement with the ESFA.

To facilitate the working of the Trust Board, some of its functions are delegated to the Local Governing Boards of each Academy.

The Local Governing Boards are constituted similarly to present boards of about 8-10 representatives of parents, staff and local appointees.

The role of the Local Governing Board is to provide local governance as well as offering assistance to the Trustees in the fulfillment of their duties. The Local Governing Board provides focused governance for an academy at a local level. It will also monitor the academy's key performance indicators and act as a critical friend to the headteacher providing challenge where appropriate. It will also play a part in representing the views of the academy's stakeholders.

The Board of Trustees will define what specific functions it requires the Local Governing Board to carry out and this will be set out clearly in written terms of reference.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The chairs of the Local Governing Boards are expected to meet regularly.

The Chief Executive is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

The pay of key management personnel is reviewed annually by the Trustees responsible for Pay and Appraisal and normally reviewed/increased in accordance with CEO's recommendations in line with the Trust's pay policy.

The Horizon Multi Academy Trust has revised the Trust's Pay Policy which details the processes for setting pay and remuneration of key management personnel. This Policy is published on the Horizon website. The setting of pay for key management personnel is within an agreed scale band - ISRs for those on Leadership Scale and Local Government Scheme. Salary scales are reviewed annually and linked to performance management targets.

**Connected Organisations, including Related Party Relationships**

There are no related parties, which either control or significantly influence the decisions and operation of Horizon Multi Academy Trust. There are Parent Teacher Association associated with individual Academies, which operates as independent charities with any funds raised used for the benefit of the individual Academies.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The Trust is committed to providing outstanding educational experiences for each pupil. We are determined to raise aspirations, opportunities and the standards of learning for all pupils.

- We believe that even better progress and attainment can be achieved through strong collaboration. In the Horizon MAT school leaders and governors will come together to share strategic thinking and expertise. By combining talents and skills we will support each other during challenging times.
- Expertise will be shared across the schools ensuring that all schools have access to outstanding practice. The Horizon MAT will look to fund specialist teachers to work across all schools to provide richer curricular experiences for our pupils.
- There will be opportunities for shared professional development, whether led internally or inviting in outside bodies. We would use professional development time to moderate between the year groups of the differing schools and shared subject expertise.
- We believe that the Horizon MAT will enable the schools to tackle recruitment challenges and retain and develop staff from Initial Teacher Training to senior leadership. The MAT will encourage retention of staff through providing new opportunities, and plan effectively for succession.
- As a Trust we will benefit financially as school budgets shrink. We will look to economies of scale, collective purchase and other financial efficiencies to achieve this.

All of this will be achieved while retaining and celebrating the unique ethos and nature of each Trust school.

We aim:

- For all schools to be rated Good and aspiring to Outstanding;
- To reflect the diversity of Plymouth, learning from and celebrating the differences of each school;

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**TRUSTEES' REPORT (continued)  
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- To become an established MAT of 10 to 12 schools within 18 months;
- For all schools to have attainment measures above national averages and positive progress indicators;
- To have regular events across the MAT where pupils come together to participate in a range of activities including sport, music and drama;
- To employ dedicated leaders for literacy, numeracy and special needs;
- To recruit, retain and develop the best staff - becoming the employer of choice by offering opportunities to develop professionally in a model that ensures effective succession planning;
- To sponsor a school and/or open a Free School;
- To become a Teaching School in our own right.

At Horizon Multi Academy Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies and Activities**

Our future role in improving standards

- Through clear and established defined lines of accountability;
- Implementing a rigorous and robust analysis of achievement for all years and groups, termly and yearly;
- Challenge from the Learning Board, CEO and Trust Board where standards not being achieved;
- Focused or brokered support where needs are identified;
- Ensure that we attract and retain the most effective staff force through focused professional development and incentive opportunities.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**STRATEGIC REPORT**

**Achievements and Performance**

		Averages	Elburton	Hooe	Widewell
EYFS GDS	Local 2017	66%	75%	73%	66%
Y1 Phonics	2016	81%	100%	53%	97%
Y2 Reading					
Expected +	2016	74%	74%	80%	72%
GDS	2016	24%	27%	13%	38%
Y2 Writing					
Expected +	2016	65%	71%	80%	58%
GDS	2016	15%	11%	3%	10%
Y2 Maths					
Expected +	2016	73%	74%	77%	62%
GDS	2016	18%	26%	10%	17%
Y6 Reading					
Expected +	2017	71%	79%	81%	62%
Higher Standard	2017	25%	44%	25%	20%
Y6 Writing					
Expected +	2017	76%	93%	88%	62%
Higher Standard	2017	18%	23%	25%	10%
Y6 GPS					
Expected +	2017	77%	90%	91%	66%
Higher Standard	2017	31%	46%	31%	14%
Y6 Maths					
Expected +	2017	75%	84%	91%	55%
Higher Standard	2017	23%	23%	38%	14%
Y6 Combined					
Expected +	2017	61 %	74%	69%	48%
Higher Standard	2017	9%	11%	16%	7%
Y2-6 Reading Progress	2017		+1.1	+1.6	+4.5
Y2-6 Writing Progress	2017		+0.9	-0.2	+6.2
Y2-6 Maths Progress	2017		-0.3	+1.4	+4.4

The following illustrate some of the achievements of the three Academies in the academic year 2016-17:

**Elburton**

International Schools Award;  
Gold School Games Award, Brickfields;  
2017 Year 5/6 Boys Relay Champions and Track Champions;  
Plymouth Cricket Champions;  
Boys football team Plymouth and Devon Danone Football Champions - competed in regional finals representing Devon;  
Indoor Athletics - represented Plymouth in the Devon Finals and came 5th.

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**TRUSTEES' REPORT (continued)  
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**Hooe**

Received an OfSTED Inspection grading of good again for the work undertaken with their pupils and other stakeholders. The OfSTED report praised a number of aspects of the school's work and in particular the quality of teaching and the Leadership of Hooe school.

On the sports field Hooe pupils competed in many events and won the Brickfields Boys' Field Events Trophy for the first time this year. They also came third in the Plymstock Cross Country Tournament. The school achieved reaccreditation to the Bristol Standard for Early Years Foundation Stage.

**Widewell**

Bristol Standard validation in Early Years;  
Silver Healthy Child Award; Bronze School Games Award.

There have been monthly meetings of all schools at Head level to discuss issues of mutual interest and plan greater collaboration. This has led to the following:

- Moderation of writing standards between the schools;
- SENCOs of the schools meeting and sharing documentation and processes;
- A Conference on the 18 April 2017 which formally launched the MAT and ensured teachers and teaching staff contributed to expectations of how the MAT would grow and deliver higher standards;
- The CEO is conducting the Performance Management of all heads.

**Key Performance Indicators**

The key performance indicator for the Academy Trust is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the Trust is Government or Local Authority funded and therefore the income of the Trust is largely a given.

An expenditure budget is set at the beginning of the year, taking into consideration the level of Government funding. The Trustees have reviewed detailed capital and expenditure reports compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable. The carry forward General Annual Grant is within acceptable parameters.

**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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going Concern policy.

**FINANCIAL REVIEW**

**Financial Review**

In this financial year the Trust has received the majority of its income from the ESFA in the form of recurrent grants. The grants received from the ESFA during the period 1 September 2016 to 31 August 2017 and the associated expenditure are shown in the statement of financial activities.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, Business Managers, Local Governing Boards, Headteacher, Budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Treasury Management and Insurance.

During the period 1 September 2016 to 31 August 2017 the total expenditure (excluding depreciation and FRS102 pension adjustment) of £3,968,343 was more than covered by funding from the ESFA together with other income resources and the carry forward from the previous year.

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**TRUSTEES' REPORT (continued)  
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**Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trust holds total reserves (excluding fixed asset and pension funds) of £476,040 which consists of £2,408 GAG and £473,632 (non GAG).

The Academy will always ensure to stay within the ESFA guidelines on levels and appropriate use of reserves.

**Investment Policy**

Investments must be made only when approved by the governing body. A Treasury Management Policy is in place, which defines:

- The management of the Academy Trust's cash flows, banking and investment transactions;
- The management of the risks associated with these activities;
- The pursuit of optimal returns consistent with those risks.

The objectives of the policy are to ensure that the Academy Trust:

- Maintains sufficient cash balances in its current accounts to meet its day to day commitments;
- Invests surplus cash to earn an acceptable rate of return without undue risk;
- Considers spreading risk between differing types of investment and institutions to reduce credit risk.

The Academy Trust's current position is to only invest funds in risk free and easily accessible deposit account as outlined in the agreed Treasury Management Policy.

The Business Manager will maintain a register of all deposits/investments held which will record the Institution with which the deposit is placed, date deposit placed, amount deposited, date of maturity, amount returned, interest earned and rate of interest.

The Business Manager will present the Register of Deposits to the Board on an annual basis. Periodically (at least annually) the Business Manager will review interest rates and compare with other investment opportunities. A working balance of £90,000 should be maintained in the Central current account.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Trust are as follows:

**Financial** – The Trust has considerable reliance on continued Government funding through the ESFA. Whilst the level of funding is expected to continue there is no assurance that Government policy or practice will remain the same of that public funding will continue at the same levels or on the same terms.

**Failures in Governance** – The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** – The continuing success if the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk the Trustees ensure that student success and achievement is closely monitored and reviewed.

**Safeguarding and Child Protection** – The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health

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**TRUSTEES' REPORT (continued)  
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and safety and discipline.

Staffing – The success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – The Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks of the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

**Our focus on growing Horizon Multi Academy Trust**

By September 2017 we will:

- Have planned growth of up to 8 schools joining Horizon over the next academic year;
- Establish an agreed and fully costed central office support;
- Embed uniform Financial and HR structures with clear delegation of roles and responsibilities;
- Reviewed all contracts and Service level Agreements to secure economies of scale;
- Harmonised overreaching policies and in particular Teacher Pay and Retention Policy and other staff pay and conditions;
- Formalised a system for school improvement incorporating interventions, peer moderation and professional development.

By September 2018 we will:

- Be an Established Multi Academy Trust of 10-12 academies;
- Have sponsored a school;
- Establish a register of identified key staff with the capacity and skills to intervene and support staff of other schools;
- Have engaged with the Local Authority in shaping new relationship needed with MATs across the city;
- Have standards in all schools above National Averages;
- All schools with Good or Outstanding rating.

By September 2020 we will:

- Have applied to be a Teaching School;
- Explore merging with other MATS to form a "National" Multi Academy Trust;

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**TRUSTEES' REPORT (continued)  
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- Employ dedicated staff to raise standards in Literacy, Numeracy and Intervention;
- Have investigated the possibility of opening a Free School in one of the new developments in Plymouth;
- Have standards in all schools above National Averages;
- Have all schools with Good or Outstanding rating.

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

The Academy does not hold such funds.

**PUBLIC BENEFIT**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers of duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future.

The Trust is 'inclusive' and its principal objective is to provide a good education for students of different abilities between the ages of 4 and 11.

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on ..... and signed on the board's behalf by:

**S Jones  
Chair of Trustees**

**HORIZON MULTI ACADEMY TRUST  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Bradford, Chief Executive	6	6
F Court	5	6
J Dobson	6	6
E Roberts, Vice Chair	6	6
P Gale	5	6
S Jones, Chair of Trustees	5	6
S Shelley	4	6
A J Evans	6	6
C Redding	3	6

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Establishing robust financial governance and budget management
- Trustees challenge decision makers on cost and effectiveness of spending proposals in order to achieve value for money
- A Risk Register is in place identifying areas of high, medium and low risks which is reviewed on a regular basis
- Termly internal audits carried out by Plymouth City Council and findings shape our action plans for future developments and improvements
- Value for money purchasing
- Staff deployed to provide best value in terms of quality of teaching, quality of learning; adult-pupil ratio and curriculum management.
- Academy staffing structure reviewed annually to ensure most appropriate provision for pupils
- Trustees have identified projects within the School Improvement Plan and Strategic Plan on which to focus Capital funding
- Equipment deployed to provide pupils and staff with resources which promote quality teaching and learning
- Trustees and school leaders review the quality of children's learning to provide the best learning environment
- Pupil Premium funding has been targeted so that pupils have the opportunity to raise their individual levels

**GOVERNANCE STATEMENT (continued)**

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of attainment resulting in improved educational outcomes. A full report is presented to Trustees outlining how Pupil Premium has been used

- Procedures are in place for assessing need, and obtaining goods and services that provide “best value” in terms of suitability, efficiency, time and cost. Measures already in place include competitive tendering procedures, procedures for accepting “best value” quotes which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship), procedures which minimise administration time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment) and current EU procurement legislation.

The following areas were monitored for “best value” by:

1. In-house monitoring by the SLT and subject leaders, e.g. classroom practice, work sampling
2. Termly target setting meetings between SLT and POD leaders
3. Staff appraisals
4. Annual Budget planning
5. Headteacher’s monthly financial review with Business Manager
6. Analysis of school pupil performance data, e.g. SAT’s results, standardised test results, LA schools, similar schools
7. Analysis of DfE financial data, reports, against benchmark data for other schools
8. Analysis of DfE/Ofsted pupil performance data, e.g. RAISEonline
9. Ofsted Inspection Reports
10. Trustees observations
11. Trustees termly meetings
12. Trustees Annual Finance Review
13. Trustees Annual Target Setting Meeting

The Trustees discussed and reviewed ‘Best Value’ in the Spring term when considering Service Contracts, obtaining tenders for any large scale refurbishment projects and large scale resources purchases.

Service Contracts are under annual review and Trustees are discussing future contracts which will offer best value and fitness for purpose

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Horizon Multi Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust’s significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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:

**GOVERNANCE STATEMENT (continued)**

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Plymouth Learning Partnership as 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:

1. Payroll – areas reviewed included testing that actual salary payments for all staff were reconciled against commitments generated on the schools Sage system; necessary amendments to contracts were appropriately authorised in a timely manner; monthly payroll reconciliation undertaken and appropriately authorised; prior period salary commitments are cleared promptly.
2. Review of a number of receipts from ESFA or LA to check that amounts received agree to source documentation and Sage.
3. Check that miscellaneous income due reconciles to that collected, is banked promptly and recorded accurately on Sage.

On a quarterly basis, the internal auditor reports to the Board of Trustees through the Local Finance and Personnel Committees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Future reports will be reported to the Board of Trustees direct.

The internal auditor has delivered their schedule of work as planned through written reports. There were no material control issues raised as a result of the internal auditor's work.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Chief Executive 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 auditors;
- 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.

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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

Approved by order of the members of the Board of Trustees on

and signed on their behalf, by:

**S Jones  
Chair of Trustees**

**D Bradford  
Accounting Officer**

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Post year end, a school within the MAT was subject to bank fraud. This was possibly due to malware on an item of IT. This was reported to the ESFA and the Trust Board. A full investigation was undertaken by the bank's Fraud Investigation Team and a report was also logged with Action Fraud UK. Ultimately, there was no cash loss to the Trust, and losses have been reimbursed.

**D Bradford  
Accounting Officer**

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of Horizon Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

**S Jones**  
**Chair of Trustees**

**Date:**

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HORIZON MULTI ACADEMY TRUST**

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**OPINION**

We have audited the financial statements of Horizon Multi Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

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

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HORIZON MULTI ACADEMY TRUST**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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 (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust's or to cease operations, or have no realistic alternative but to do so.

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HORIZON MULTI ACADEMY TRUST**

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

Pamela Tuckett FCA DChA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN  
Date:

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HORIZON  
MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 June 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizon Multi Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HORIZON MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Horizon Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HORIZON  
MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Pamela Tuckett FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

Date:

**HORIZON MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfers from existing Trusts	2	178,864	(750,625)	9,164,529	8,592,768	-
Other donations and capital grants	2	50,543	23,773	825,112	899,428	51,642
Charitable activities	3	282,202	3,436,528	-	3,718,730	1,635,050
Other trading activities	4	148,692	-	-	148,692	92,348
Investments	5	3,553	-	-	3,553	229
Other income		2,314	-	-	2,314	-
<b>TOTAL INCOME</b>		<b>666,168</b>	<b>2,709,676</b>	<b>9,989,641</b>	<b>13,365,485</b>	<b>1,779,269</b>
<b>EXPENDITURE ON:</b>						
Raising funds		12,535	-	-	12,535	889
Charitable activities		264,693	3,960,115	157,064	4,381,872	1,843,963
<b>TOTAL EXPENDITURE</b>	6	<b>277,228</b>	<b>3,960,115</b>	<b>157,064</b>	<b>4,394,407</b>	<b>1,844,852</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	388,940 (230,471)	(1,250,439) 164,051	9,832,577 66,420	8,971,078 -	(65,583) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial losses on defined benefit pension schemes	21	158,469	(1,086,388)	9,898,997	8,971,078	(65,583)
		-	(3,000)	-	(3,000)	(336,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>158,469</b>	<b>(1,089,388)</b>	<b>9,898,997</b>	<b>8,968,078</b>	<b>(401,583)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		276,959	(882,000)	2,659,486	2,054,445	2,456,028
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>435,428</b>	<b>(1,971,388)</b>	<b>12,558,483</b>	<b>11,022,523</b>	<b>2,054,445</b>

The notes on pages 25 to 49 form part of these financial statements.

**HORIZON MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 08084557**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>11,783,004</b>		2,659,486
<b>CURRENT ASSETS</b>					
Stocks	14	<b>4,079</b>		1,711	
Debtors	15	<b>792,172</b>		49,772	
Cash at bank and in hand		<b>752,863</b>		337,157	
			<u><b>1,549,114</b></u>	<u>388,640</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	<b>(297,595)</b>		(111,681)	
			<u><b>1,251,519</b></u>	<u>276,959</u>	
<b>NET CURRENT ASSETS</b>					
			<u><b>13,034,523</b></u>		<u>2,936,445</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	21		<b>(2,012,000)</b>		(882,000)
<b>NET ASSETS</b>			<u><b>11,022,523</b></u>		<u>2,054,445</u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	17	<b>40,612</b>		-	
Fixed asset funds	17	<b>12,558,483</b>		2,659,486	
			<u><b>12,599,095</b></u>	<u>2,659,486</u>	
Restricted funds excluding pension liability					
Pension reserve		<b>(2,012,000)</b>		(882,000)	
			<u><b>10,587,095</b></u>	<u>1,777,486</u>	
Total restricted funds					
Unrestricted funds	17		<b>435,428</b>		276,959
<b>TOTAL FUNDS</b>			<u><b>11,022,523</b></u>		<u>2,054,445</u>

The financial statements on pages 22 to 49 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

**S Jones**  
**Chair of Trustees**

The notes on pages 25 to 49 form part of these financial statements.

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	26	<u>(139,407)</u>	<u>32,489</u>
<b>Cash flows from investing activities:</b>			
Interest received		3,553	229
Purchase of tangible fixed assets		(171,641)	(47,682)
Capital grants from DfE/ESFA		<u>173,562</u>	<u>17,450</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>5,474</u>	<u>(30,003)</u>
<b>Cash transferred from existing Trusts</b>			
Hooe Primary Academy		242,493	-
Widewell Primary Academy		<u>307,146</u>	-
<b>Net cash provided by financing activities</b>		<u>549,639</u>	-
<b>Change in cash and cash equivalents in the year</b>		<u>415,706</u>	2,486
Cash and cash equivalents brought forward		<u>337,157</u>	<u>334,671</u>
<b>Cash and cash equivalents carried forward</b>	27	<u><u>752,863</u></u>	<u><u>337,157</u></u>

The notes on pages 25 to 49 form part of these financial statements.

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Horizon Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 GOING CONCERN**

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

**HORIZON MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

Certain types of income are shown in the Statement of Financial Activities net of expenditure as follows:

Where assets are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within donations and capital grants.

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

Expenditure on raising funds 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.

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long term leasehold property	-	2% straight line/land - term of the lease
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

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. ACCOUNTING POLICIES (continued)**

**1.6 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.7 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.8 LIABILITIES AND PROVISIONS**

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

**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:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. 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 instruments.

**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.

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**1. ACCOUNTING POLICIES (continued)**

**1.11 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**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.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**1. ACCOUNTING POLICIES (continued)**

**1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**1.14 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.15 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfers from existing Trusts	178,864	(750,625)	9,164,529	8,592,768	-
Donations	50,543	23,773	20,000	94,316	34,192
Capital Grants	-	-	805,112	805,112	17,450
Subtotal	50,543	23,773	825,112	899,428	51,642
	229,407	(726,852)	9,989,641	9,492,196	51,642
<i>Total 2016</i>	1,979	11,213	38,450	51,642	

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	108,892	3,436,528	3,545,420	1,635,050
Nursery	173,310	-	173,310	-
	282,202	3,436,528	3,718,730	1,635,050
<i>Total 2016</i>	57,444	1,577,606	1,635,050	

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**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	2,918,919	2,918,919	1,379,842
Growth Funding	-	50,000	50,000	-
Other DfE/ESFA grants	-	405,566	405,566	168,569
	<u>-</u>	<u>3,374,485</u>	<u>3,374,485</u>	<u>1,548,411</u>
<b>Other Government grants</b>				
High Needs	-	45,263	45,263	13,205
Other government grants non capital	-	16,780	16,780	6,990
	<u>-</u>	<u>62,043</u>	<u>62,043</u>	<u>20,195</u>
<b>Other funding</b>				
Internal catering income	61,794	-	61,794	25,415
Income for hosting trainee teachers	-	-	-	4,790
Sales to students	8,943	-	8,943	7,646
Other	38,155	-	38,155	28,593
	<u>108,892</u>	<u>-</u>	<u>108,892</u>	<u>66,444</u>
	<u>108,892</u>	<u>3,436,528</u>	<u>3,545,420</u>	<u>1,635,050</u>
<i>Total 2016</i>	<u>57,444</u>	<u>1,577,606</u>	<u>1,635,050</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	12,546	-	12,546	10,829
External Catering	100	-	100	-
Consultancy	-	-	-	7,036
Fees received	135,746	-	135,746	74,483
Other	300	-	300	-
	<u>148,692</u>	<u>-</u>	<u>148,692</u>	<u>92,348</u>
<i>Total 2016</i>	<u>92,348</u>	<u>-</u>	<u>92,348</u>	

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**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	3,553	-	3,553	229
<i>Total 2016</i>	229	-	229	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	12,535	12,535	889
Education:					
Direct costs	2,636,121	-	330,447	2,966,568	1,313,148
Support costs	699,983	171,551	431,632	1,303,166	530,815
Nursery:					
Direct costs	106,832	-	-	106,832	-
Support costs	-	5,306	-	5,306	-
	<u>3,442,936</u>	<u>176,857</u>	<u>774,614</u>	<u>4,394,407</u>	<u>1,844,852</u>
<i>Total 2016</i>	1,439,310	46,267	359,275	1,844,852	

**7. DIRECT COSTS**

	Education £	Nursery £	Total 2016 £
Pension finance costs	36,000	-	8,000
Educational supplies	88,200	-	30,431
Examination fees	178	-	1,836
Staff development	15,175	-	5,316
Other costs	63,657	-	12,699
Supply teachers	23,461	-	19,760
Educational consultancy	-	-	6,856
Wages and salaries	1,971,722	91,864	949,332
National insurance	169,256	2,317	64,229
Pension cost	472,682	12,651	163,455
Depreciation	126,237	-	51,234
	<u>2,966,568</u>	<u>106,832</u>	<u>1,313,148</u>
<i>Total 2016</i>	1,313,148	-	

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**8. SUPPORT COSTS**

	Education £	Nursery £	Total 2016 £
Pension finance costs	-	-	10,000
Other costs	31,567	-	-
Supply teachers	220	-	-
Recruitment and support	4,279	-	2,373
Maintenance of premises and equipment	86,088	1,855	24,562
Cleaning	15,899	492	7,356
Rent and rates	24,919	608	9,748
Energy costs	34,469	1,074	20,516
Insurance	41,302	1,277	23,984
Security and transport	4,930	-	18,827
Catering	135,885	-	79,047
Technology costs	74,351	-	20,081
Office overheads	47,276	-	24,162
Legal and professional	52,441	-	29,374
Bank interest and charges	1,074	-	208
Governance	18,656	-	9,199
Wages and salaries	518,857	-	182,769
National insurance	23,721	-	6,507
Pension cost	156,405	-	52,258
Depreciation	30,827	-	9,844
	<u>1,303,166</u>	<u>5,306</u>	<u>530,815</u>
<i>Total 2016</i>	<u>530,815</u>	<u>-</u>	

**9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	157,064	61,078
Auditors' remuneration - audit	4,800	5,000
Auditors' remuneration - other services	3,950	1,050
Operating lease rentals	3,016	1,191
	<u>167,830</u>	<u>70,317</u>

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**10. STAFF COSTS**

Staff costs were as follows:

	<b>2017</b>	2016
	<b>£</b>	£
Wages and salaries	<b>2,560,767</b>	1,132,101
Social security costs	<b>195,294</b>	70,736
Operating costs of defined benefit pension schemes	<b>641,738</b>	215,713
	<b>3,397,799</b>	1,418,550
Supply teacher costs	<b>23,461</b>	20,760
Staff restructuring costs	<b>21,676</b>	-
	<b>3,442,936</b>	1,439,310

Staff restructuring costs comprise:

	<b>2017</b>	2016
	<b>£</b>	£
Redundancy payments	<b>13,276</b>	-
Severance payments	<b>8,400</b>	-
	<b>21,676</b>	-

Included in staff restructuring costs are non-contractual severance payments totalling £8,400. This is made up of one individual payment.

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

	<b>2017</b>	2016
	<b>No.</b>	No.
Teachers	<b>41</b>	19
Administration and Support	<b>112</b>	69
Management	<b>3</b>	3
	<b>156</b>	91

Average headcount expressed as a full time equivalent:

	<b>2017</b>	2016
	<b>No.</b>	No.
Teachers	<b>36</b>	17
Administration and Support	<b>52</b>	25
Management	<b>2</b>	3
	<b>90</b>	45

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**10. STAFF COSTS (continued)**

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	<b>2017</b>	2016
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	0
In the band £70,001 - £80,000	<b>1</b>	1

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers National Insurance) received by key management personnel for their services to the Academy was £168,862 (2016: £203,750). The key management structure has changed from the prior year with the formation of the Multi Academy Trust.

As Staff Trustees are not remunerated in respect of their role as a Trustee, where Staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

**11. TRUSTEES' REMUNERATION AND EXPENSES**

The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: Mr D Bradford: remuneration £70,000 - £75,000 (2016: £70,000 - £75,000), employer's pension contributions: £10,000 - £15,000 (2016: £10,000 - £15,000).

Other related party transactions involving the Trustees are set out in note 23.

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £453 (2016: £1,233) were reimbursed to 1 Trustee (2016: 3).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £470 (2016: £1,405).

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**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2016	2,750,367	-	31,810	156,408	2,938,585
Additions	31,147	54,100	31,083	55,311	171,641
Transferred from existing Trusts	6,217,678	2,668,713	171,727	50,823	9,108,941
At 31 August 2017	<u>8,999,192</u>	<u>2,722,813</u>	<u>234,620</u>	<u>262,542</u>	<u>12,219,167</u>
<b>DEPRECIATION</b>					
At 1 September 2016	135,845	-	21,699	121,555	279,099
Charge for the year	61,231	25,898	27,936	41,999	157,064
At 31 August 2017	<u>197,076</u>	<u>25,898</u>	<u>49,635</u>	<u>163,554</u>	<u>436,163</u>
<b>NET BOOK VALUE</b>					
At 31 August 2017	<u>8,802,116</u>	<u>2,696,915</u>	<u>184,985</u>	<u>98,988</u>	<u>11,783,004</u>
At 31 August 2016	<u>2,614,522</u>	<u>-</u>	<u>10,111</u>	<u>34,853</u>	<u>2,659,486</u>

**14. STOCKS**

	2017 £	2016 £
Finished goods and goods for resale	<u>4,079</u>	<u>1,711</u>

**15. DEBTORS**

	2017 £	2016 £
Trade debtors	2,863	1,004
VAT recoverable	29,959	13,992
Other debtors	701	-
Prepayments and accrued income	758,649	34,776
	<u>792,172</u>	<u>49,772</u>

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**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	2016
	<b>£</b>	£
Trade creditors	<b>76,925</b>	6,311
Other taxation and social security	<b>55,495</b>	21,278
Other creditors	<b>57,121</b>	27,382
Accruals and deferred income	<b>108,054</b>	56,710
	<u><b>297,595</b></u>	<u>111,681</u>
	<u><b>297,595</b></u>	<u>111,681</u>
	<b>2017</b>	2016
	<b>£</b>	£
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2016	<b>39,677</b>	63,457
Resources deferred during the year	<b>87,850</b>	39,767
Amounts released from previous years	<b>(39,677)</b>	(63,547)
	<u><b>87,850</b></u>	<u>39,677</u>
	<u><b>87,850</b></u>	<u>39,677</u>

At the balance sheet date £80,683 of UIFSM, £1,167 of SEN funding and a £6,000 National Support School bursary received in respect of the year ended 31 August 2018 was included in deferred income.

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**17. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>UNRESTRICTED FUNDS</b>						
General funds	276,959	666,168	(277,228)	(230,471)	-	435,428
<b>RESTRICTED FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	2,918,919	(3,162,938)	246,427	-	2,408
High Needs	-	45,263	(45,692)	959	-	530
Pupil premium	-	225,748	(225,748)	-	-	-
Growth funding	-	50,000	(28,925)	-	-	21,075
UIFSM	-	138,311	(148,840)	10,529	-	-
PE & Sports grant	-	27,565	(27,565)	-	-	-
British Council grant	-	2,400	(2,400)	-	-	-
Other DfE/ESFA	-	13,942	(13,942)	-	-	-
MOD grant	-	14,380	(8,281)	10,500	-	16,599
Other restricted funds	-	23,773	(26,784)	3,011	-	-
Transferred in from existing Trusts	-	107,375	-	(107,375)	-	-
Pension reserve	(882,000)	(858,000)	(269,000)	-	(3,000)	(2,012,000)
	<u>(882,000)</u>	<u>2,709,676</u>	<u>(3,960,115)</u>	<u>164,051</u>	<u>(3,000)</u>	<u>(1,971,388)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	2,487,578	-	(31,538)	-	-	2,456,040
DfE/ESFA Capital grants and GAG	154,046	21,526	(25,963)	66,420	-	216,029
PTA funded assets	17,862	20,000	(5,899)	-	-	31,963
Fixed assets transferred from existing Trusts	-	9,108,941	(92,931)	-	-	9,016,010
Unspent capital funds transferred from existing Trusts	-	55,588	-	(55,588)	-	-
CIF	-	783,586	(733)	55,588	-	838,441
	<u>2,659,486</u>	<u>9,989,641</u>	<u>(157,064)</u>	<u>66,420</u>	<u>-</u>	<u>12,558,483</u>
Total restricted funds	<u>1,777,486</u>	<u>12,699,317</u>	<u>(4,117,179)</u>	<u>230,471</u>	<u>(3,000)</u>	<u>10,587,095</u>
Total of funds	<u>2,054,445</u>	<u>13,365,485</u>	<u>(4,394,407)</u>	<u>-</u>	<u>(3,000)</u>	<u>11,022,523</u>

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**17. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>						
General funds	246,901	152,000	(109,134)	(12,808)	-	276,959
	<u>246,901</u>	<u>152,000</u>	<u>(109,134)</u>	<u>(12,808)</u>	<u>-</u>	<u>276,959</u>
<b>RESTRICTED FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	6,210	1,379,842	(1,391,128)	5,076	-	-
High Needs	-	13,205	(13,205)	-	-	-
Pupil premium	-	86,528	(86,528)	-	-	-
Start up grant	7,192	-	(7,192)	-	-	-
UIFSM	-	68,172	(68,172)	-	-	-
PTA donations	-	5,079	(5,079)	-	-	-
PE & Sports grant	-	9,820	(9,820)	-	-	-
British Council grant	-	9,000	(9,000)	-	-	-
Other restricted funds	18,843	17,173	(34,516)	(1,500)	-	-
Pension reserve	(496,000)	-	(50,000)	(336,000)	-	(882,000)
	<u>(463,755)</u>	<u>1,588,819</u>	<u>(1,674,640)</u>	<u>(332,424)</u>	<u>-</u>	<u>(882,000)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	2,520,294	-	(32,716)	-	-	2,487,578
DfE/ESFA Capital grants and GAG	152,588	17,450	(25,224)	9,232	-	154,046
PTA funded assets	-	21,000	(3,138)	-	-	17,862
	<u>2,672,882</u>	<u>38,450</u>	<u>(61,078)</u>	<u>9,232</u>	<u>-</u>	<u>2,659,486</u>
Total restricted funds	<u>2,209,127</u>	<u>1,627,269</u>	<u>(1,735,718)</u>	<u>(323,192)</u>	<u>-</u>	<u>1,777,486</u>
Total of funds	<u>2,456,028</u>	<u>1,779,269</u>	<u>(1,844,852)</u>	<u>(336,000)</u>	<u>-</u>	<u>2,054,445</u>

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

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

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**17. STATEMENT OF FUNDS (continued)**

Start up Grant - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an Trust.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable to Academy to address the current underlying inequalities between those children and their wealthier peers.

Growth Funding - This represents Regional Academy Growth Funding awarded to the Trust from the Department for Education.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Assets transferred from existing Trusts - This represents funding surpluses of existing Academies which have transferred into the Multi Academy Trust.

Pension reserve - This represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

UIFSM - This represents funding received to provide free school meals.

British Council - This represents funds received for a specific project.

MOD - This represents funds received for a specific project.

Capital Grants - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Trust's assets.

PTA funded assets - This represents amounts received from the PTA towards the costs of assets.

CIF - This represents funding awarded by the ESFA to undertake capital works.

Fixed assets transferred from existing Trusts - This represents the land, buildings and equipment transferred into the Multi Academy Trust from existing Academies.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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**17. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Elburton Primary School	206,138	276,959
Hooe Primary Academy	57,061	-
Widewell Primary Academy	189,337	-
Central	23,504	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	476,040	276,959
Restricted fixed asset fund	12,558,483	2,659,486
Pension reserve	(2,012,000)	(882,000)
	<hr/>	<hr/>
Total	<b>11,022,523</b>	<b>2,054,445</b>
	<hr/> <hr/>	<hr/> <hr/>

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Elburton Primary School	1,359,353	236,426	48,167	302,687	1,946,633	1,782,885
Hooe Primary Academy	594,088	189,529	23,785	153,067	960,469	-
Widewell Primary Academy	626,512	183,983	16,248	193,525	1,020,268	-
Central	-	20,045	-	20,930	40,975	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>2,579,953</b>	<b>629,983</b>	<b>88,200</b>	<b>670,209</b>	<b>3,968,345</b>	<b>1,782,885</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>
Tangible fixed assets	-	-	11,783,004	11,783,004
Current assets	435,428	338,207	775,479	1,549,114
Creditors due within one year	-	(297,595)	-	(297,595)
Pension scheme liability	-	(2,012,000)	-	(2,012,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>435,428</b>	<b>(1,971,388)</b>	<b>12,558,483</b>	<b>11,022,523</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	2,659,486	2,659,486
Current assets	276,959	111,681	-	388,640
Creditors due within one year	-	(111,681)	-	(111,681)
Provisions for liabilities and charges	-	(882,000)	-	(882,000)
	<u>276,959</u>	<u>(882,000)</u>	<u>2,659,486</u>	<u>2,054,445</u>

**19. MEMBERS' LIABILITY**

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

**20. GENERAL INFORMATION**

Horizon Multi Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Elburton Primary School, Haye Road South, Elburton, Plymouth, Devon, PL9 8HJ.

**21. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. Both are multi-employer Defined Benefit Pension Schemes.

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

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension

**21. PENSION COMMITMENTS (continued)**

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 16.48%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £245,477 (2016: £117,317).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £201,000 (2016: £81,000), of which employer's contributions totalled £153,000 (2016: £62,000) and employees' contributions totalled £48,000 (2016: £19,000). The agreed contribution rates for future years are 18.5% for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

	<b>2017</b>	2016
Discount rate for scheme liabilities	<b>2.60 %</b>	2.20 %
Rate of increase in salaries	<b>4.20 %</b>	4.10 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.30 %

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**21. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	23.4	22.9
Females	25.5	26.2
Retiring in 20 years		
Males	25.7	25.2
Females	27.9	28.6

<b>Sensitivity analysis</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
	£	£
Discount rate +0.1%	3,419,000	1,454,000
Discount rate -0.1%	3,589,000	1,525,000
Mortality assumption - 1 year increase	3,624,000	1,529,000
Mortality assumption - 1 year decrease	3,386,000	1,450,000
CPI rate +0.1%	3,576,000	1,519,000
CPI rate -0.1%	3,432,000	1,460,000

The Academy Trust's share of the assets in the scheme was:

	<b>Fair value at 31 August 2017</b>	<b>Fair value at 31 August 2016</b>
	£	£
Equities	883,000	356,000
Gilts	46,000	19,000
Corporate bonds	221,000	86,000
Property	130,000	60,000
Cash and other liquid assets	72,000	26,000
Other	139,000	50,000
<b>Total market value of assets</b>	<b>1,491,000</b>	<b>607,000</b>

The actual return on scheme assets was £150,000 (2016: £71,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2017	2016
	£	£
Current service cost	(386,000)	(94,000)
Past service cost	46,000	34,000
Interest income	28,000	21,000
Interest cost	(64,000)	(39,000)
<b>Total</b>	<b>(376,000)</b>	<b>(78,000)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	1,489,000	999,000
Current service cost	386,000	94,000
Interest cost	64,000	39,000
Employee contributions	48,000	19,000
Actuarial losses	128,000	386,000
Benefits paid	(52,000)	(48,000)
Effect of non-routine settlements	1,440,000	-
	<u>3,503,000</u>	<u>1,489,000</u>
Closing defined benefit obligation	<u>3,503,000</u>	<u>1,489,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	607,000	503,000
Interest income	28,000	21,000
Actuarial losses	125,000	50,000
Employer contributions	153,000	62,000
Employee contributions	48,000	19,000
Benefits paid	(52,000)	(48,000)
Effect of non-routine settlements	582,000	-
	<u>1,491,000</u>	<u>559,000</u>
Closing fair value of scheme assets	<u>1,491,000</u>	<u>559,000</u>

**22. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	4,021	-
Between 1 and 5 years	14,075	-
	<u>18,096</u>	<u>-</u>
Total	<u>18,096</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. 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 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.

During the year, the Trust paid £670 to NMA Operations Limited, a company in which D Bradford is a director, in respect of educational visits. At the year end no balance was owed to NMA Operations Limited.

**24. CENTRAL SERVICES**

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

- Finance support
- Operations and procurement
- Human resources

The Academy Trust charges for these services on the following basis:

During the year to 31 August 2017, central recharges were made to each of the Academies as a direct charge for a share of the expenditure. For part of the year costs were included in individual schools.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Elburton Primary School	6,905	-
Hooe Primary Academy	3,800	-
Widewell Primary Academy	3,753	-
	<u>14,458</u>	<u>          </u>
Total	<u>14,458</u>	<u>          </u>

**25. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at amortised cost	<u>727,880</u>	<u>16,320</u>
Financial liabilities measured at amortised cost	<u>(202,291)</u>	<u>(71,914)</u>

Financial assets measured at amortised cost comprise accrued income and trade debtors.

Financial liabilities measured at amortised cost comprise accruals, other creditors and trade creditors.

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**26. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>8,971,078</b>	(65,583)
<b>Adjustment for:</b>		
Depreciation charges	<b>157,064</b>	61,078
Interest received	<b>(3,553)</b>	(229)
(Increase)/decrease in stocks	<b>(2,368)</b>	108
(Increase)/decrease in debtors	<b>(70,850)</b>	5,741
Increase/(decrease) in creditors	<b>185,914</b>	(1,176)
Capital grants from DfE and other capital income	<b>(825,112)</b>	(17,450)
Defined benefit pension scheme obligation inherited	<b>858,000</b>	-
Defined benefit pension scheme cost less contributions payable	<b>233,000</b>	-
Defined benefit pension scheme finance cost	<b>36,000</b>	50,000
Income from fixed assets transferred from existing Trusts	<b>(9,128,941)</b>	-
Other income transferred from existing Trusts	<b>(549,639)</b>	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(139,407)</b>	32,489

**27. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash at bank and in hand	<b>752,863</b>	337,157
	<b>752,863</b>	337,157

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**28. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST**

**HOOE PRIMARY ACADEMY**

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
<b>Tangible fixed assets</b>			
Long-term leasehold property	2,668,713	-	2,668,713
Fixtures and fittings	39,689	-	39,689
Computer equipment	40,491	-	40,491
Stock	2,365	-	2,365
Debtors due within one year	58,702	-	58,702
Cash in bank and in hand	242,493	-	242,493
<b>Liabilities</b>			
Creditors due within one year	(190,351)	-	(190,351)
<b>Pensions</b>			
Pensions - pension scheme liabilities	(342,000)	-	(342,000)
	<u>2,520,102</u>	<u>-</u>	<u>2,520,102</u>

**WIDEWELL PRIMARY ACADEMY**

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
<b>Tangible fixed assets</b>			
Freehold property	6,217,678	-	6,217,678
Fixtures and fittings	132,038	-	132,038
Computer equipment	10,332	-	10,332
Debtors due within one year	82,247	-	82,247
Cash in bank and in hand	307,146	-	307,146
<b>Liabilities</b>			
Creditors due within one year	(160,775)	-	(160,775)
<b>Pensions</b>			
Pensions - pension scheme liabilities	(516,000)	-	(516,000)
	<u>6,072,666</u>	<u>-</u>	<u>6,072,666</u>