

**Horsforth School**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**for the year ended  
31 August 2023**

**Company Registration No. 07849654**

## **Horsforth School CONTENTS**

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Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	9
Statement of Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15
Independent Reporting Accountant's Report on Regularity	19
Statement of Financial Activities incorporating Income and Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	24
Other Notes to the Financial Statements	29

## Horsforth School REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Ray Agar  
Jamie Bentley  
Colin Booth  
Rosemary Edwards  
Paul Higgins (resigned 12.12.22)  
Martin Hughes  
Jenny Share

### Trustees

Rosemary Edwards (Chair)  
  
Keith Bothamley (Vice Chair)  
Paul Bell  
Tessa Freer  
Martin Hicks (appointed 03.10.22)  
Tom La Dell  
Helen Shearer  
Steve Wood  
Shaun Riordan  
Ian Dixon  
Damon Shaw (appointed 12.12.22)

### Senior Leadership Team

Paul Bell (Headteacher)  
Zoe Comiskey (Deputy Headteacher)  
Sarah Nowell (Deputy Headteacher)  
Katie McFadden (Assistant Headteacher)  
Oliver Watkins (Associate Assistant Headteacher)  
Claire Wright (Assistant Headteacher)  
Caroline Marsh (Associate Assistant Headteacher)  
Ben Wilson (Associate Assistant Headteacher)  
Emma Cheah (Director of Business and Finance)  
Lauren Robinson (Director of HR)  
Tracy Hartley (Executive Assistant to the Headteacher)

Company Name:	Horsforth School
Registered Office:	Lee Lane East Horsforth Leeds LS18 5RF
Company Registration Number:	07849654 (England & Wales)
Independent Auditor:	TC Group 6 Queen Street Leeds LS1 2TW
Bank:	Lloyds TSB Bank plc PO Box 96 Leeds LS1 1NX
Solicitors:	Ward Hadaway 5 Wellington Place Leeds LS1 4AP

## **Horsforth School TRUSTEES' REPORT for the year ended 31 August 2023**

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The Trustees (who are also directors under Company Law) present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Academy Trust operates an academy for pupils aged 11 to 19 serving a catchment area in North West Leeds. It had 1,661 pupils on roll in the school census in October 2023.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution and Governance**

Horsforth School was incorporated on 16 November 2011 and began trading on 1 January 2012.

Horsforth School is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents.

The Directors act as Trustees for the charitable activities of Horsforth School. The Charitable Company is known as Horsforth School.

Details of the Directors who served throughout the year are included in the Reference and Administrative Details on page 1.

#### **Members' liability**

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

#### **Trustees' indemnities**

Trustees' indemnity provisions are described in note 8 to the financial statements.

#### **Principal activities**

The principal objective of Horsforth School is to advance, for the public benefit, education in the Horsforth Community.

#### **Directors**

The Articles of Association require the appointment of at least three Directors. The Directors of the Company are also Trustees of the Charity. The subscribing members of Horsforth School have appointed the members of the Trust Board to serve as Directors to the Company. The term of office for a Director is currently four years and any Director may be re-appointed.

Where necessary, Directors have received training on legal and financial matters to enable them to undertake their role as Directors.

The Directors are responsible for setting the strategic direction of Horsforth School.

Details of the organisation and management of Horsforth School are set out below. The day-to-day running of Horsforth School is delegated by the Trust Board to the Senior Leadership Team.

#### **The Structure of the Trust Board**

The Trust Board was comprised of Community Trustees, a Staff Trustee and Parent Trustees. Trustees are appointed to serve a four-year term in accordance with an instrument of government agreed by the Trust Board. The Community Trustees and Staff Trustee were appointed at a meeting of the Trust Members. Parent Trustees were elected by Parents / Carers of the children attending Horsforth School.

All Trustees give their time freely and no remuneration or expenses were received for their role as Trustees in the year. Trustees are appointed based on skills and area of expertise.

## **Horsforth School TRUSTEES' REPORT (continued)**

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### **Policies and Procedures adopted for the Induction and Training of Trustees**

Where appropriate, Trustees have received training on legal and financial matters to enable them to undertake their role as Trustees.

### **Organisational Structure**

The Governance Structure at Horsforth School is made up of seven members and eleven Trustees.

As charitable companies limited by guarantee, every trust has members who have a similar role to the shareholders in a company limited by shares.

The **Trustees** are both charity trustees and company directors and they manage the business of the academy trust and may exercise all the powers of the academy trust.

The Members meet a minimum of two times throughout the year. The Trust Board meets a minimum of six times throughout the year.

The core functions of the **Trust Board** are:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and
- Overseeing the financial performance of the organisation and making sure its money is well spent.

### **Arrangements for setting pay and remuneration of key management personnel**

The Trust Board determines the 8-point group range for the Headteacher, Deputy Headteachers and Assistant Headteachers when they propose to make a new appointment or at any time they consider it necessary. With effect from 1 September 2015, the maximum of the group must not exceed the maximum range agreed by the Trust Board. The Headteacher, Deputy and Assistant Headteachers will be placed in a banding within the range determined by the Trust Board.

### **Headteacher**

The Trust Board has discretion to take account of the additional responsibility and accountability associated with the provision of extended services on their site as part of the local authority's local area plan when determining the group.

The Trust Board has agreed that the Headteacher will be placed in Group 8 of the group range.

In accordance with paragraphs 48, 49 and 50 of the STPCD or in limited circumstances (e.g. school causing concern, substantial difficulties in recruiting or retaining a Headteacher, or where the Headteacher is appointed as a temporary Headteacher of one or more additional schools), the Trust Board has discretion to make additional payments to the Headteacher providing that the total sum of all payments made in any school year does not exceed 25% of the Headteacher's point in group 8 on the leadership pay spine and providing that in each case the Trust Board has not previously taken such reason into account when determining the group range under an earlier STPCD.

A new candidate to the role of Headteacher will normally be paid on the bottom 4 points of the group range.

Annual pay progression within the Headteacher's pay range is not automatic. The Headteacher must demonstrate sustained high-quality performance, with particular regard to leadership, management and student progress at the School and will be subject to a review of performance against objectives before any pay progression. The Trust Board sets appraisal objectives for the Headteacher, will review Headteacher performance and determine any pay progression. They may choose to be assisted in any element of this process by an external advisor/consultant.

## Horsforth School TRUSTEES' REPORT (continued)

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### **Deputy Heads and Assistant Headteachers**

The same eight-point group range will be used for Deputies and Assistant Heads when they propose to make new appointments or where there is a significant change in the responsibilities of serving Deputy or Assistant Heads. They may determine the pay range as of 1 September or at any time of the year to reflect any changes in the circumstances or job description that lead to a change in the basis for calculating their pay, or at any time if they consider it necessary to retain a Deputy or Assistant Head (see STPCD).

A new Deputy or Assistant Headteacher may be paid on any one of the bottom 3 points of their pay range. The Trust Board has agreed that Deputy Headteachers will be placed in Group 4 of the group range and Assistant Headteachers will be placed in Group 3 of the group range.

Annual pay progression within the pay ranges for these posts is not automatic. Deputies and Assistant Heads must demonstrate sustained high quality of performance in respect of school leadership and management and student progress and will be subject to a review of performance against their appraisal objectives before any pay progression.

### **Trade union facility time**

#### **Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time employee number
2	1.8

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

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

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

Total cost of facility time	£2k
Total pay bill	£7,890k
% of total pay bill spent on facility time	0.03%

#### **Paid trade union activities**

Time spent on paid trade union activities as a % of total paid facilities time	0
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#### **Connected organisations including Related Party Relationships**

The school is neither a sponsored academy, nor a member of an academy chain and is not part of any formal federation. Horsforth School is a stand-alone academy. We do enjoy, however, strong working relationships with the following organisations:

- Yorkshire Teaching School Alliance: Horsforth School is a core member of the alliance.
- Horsforth Children's Services: "Cluster service" provision across the community.

## Horsforth School TRUSTEES' REPORT (continued)

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### PRINCIPAL RISKS AND UNCERTAINTIES

The Audit, Risk and Finance Committee is responsible for the management of the risks faced by Horsforth School.

Detailed considerations of the risks are made, assisted by the Senior Leadership Team. Risks are identified and assessed and controls are established on an on-going basis.

The main risks to Horsforth School, as identified in the Risk Register, are:

- Insufficient Year 12 recruitment
- Future funding uncertainty and rising cost pressures

Through the risk management processes established for Horsforth School, the Audit, Risk and Finance Committee is satisfied that the major risks have been adequately mitigated where necessary. It is recognised that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The key controls used by Horsforth School are:

- Formal agendas for Trust Board and committee activity;
- Detailed and comprehensive terms of reference and Scheme of Delegation for the Trust Board and all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels;
- Vetting and clearance procedures as required by law for the protection of children and young people;
- Risk Assessments.

### OBJECTIVES AND ACTIVITIES

#### Objects, aims and activities

The key objectives and aims of Horsforth School are as follows:

- It is intended that Horsforth School will be a fully comprehensive school functioning within and serving its local community in accordance with an ethos of 'Opportunity and Achievement for All'.
- The principles are as follows:
  - Respect for self, others and the environment.
  - To provide a curriculum content and context and approaches to learning and teaching that will enable all students to acquire and develop the skills, knowledge and personal qualities required for them to be:
    - Successful learners who enjoy learning and make progress and achieve;
    - Confident individuals who are able to live a safe, healthy and fulfilling life; and
    - Responsible citizens who make a positive contribution to their communities and society.
  - To provide curriculum content and context and approaches to learning and teaching that will ensure students have opportunities to become effective leaders, employers, employees and entrepreneurs, as well as the ability to respond to an ever more rapidly changing world.
  - To provide the broadest possible support for all students' learning.
  - To endeavour that every student leaves Horsforth School with a positive and sustainable progression route.

#### Extra-curricular activities

The school offers an extensive programme of extra-curricular activities including:

- Study visits to Switzerland, Japan and China
- Sports and Arts programmes; including theatre trips and sports fixtures
- Extensive after school extra-curricular clubs e.g., robotics, cooking, running

## **Horsforth School TRUSTEES' REPORT (continued)**

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### **Public benefit**

#### Volunteers

Through the 'Parent and Teacher Association, a number of Parents and Carers help in fund-raising activities throughout the year and volunteers support extra-curricular activities. The School's facilities are used regularly and widely by the local community, including an extensive Evening Class programme, Saturday Music Centre and Church. Sports facilities are used seven days a week by local groups.

The Directors are aware of and have complied with their duty to have due regard to the public benefit guidance published by the Charities Commission.

#### Building developments

Over the last two years, significant building developments have included:

- New build to accommodate 6<sup>th</sup> form students to allow for an increase in admission numbers for year 7's from 225 to 285 in existing building
- Library Roof refurbishment
- Upgrade to heating system
- New 6<sup>th</sup> form Common Room
- New Reception and security gates

## **STRATEGIC REPORT**

### **Achievements and Performance**

Horsforth School achieved excellent results for the 2022-23 academic year.

- 33% of all grades were at a 7 or higher. 82% 4+ in English and maths at GCSE level and 64% of students achieved 5+ in English and maths.
- The School's Progress 8 was an excellent +0.75 with the Attainment 8 figure of 57.5. These maintain the school's history of excellent performance in external examinations and are one of the best results in Leeds.
- At A Level, the pass rate was 100% with 36% of grades A\*-A, 68% of all grades were at A\*-B, again, one of the best in the region.
- The Sunday Times has ranked Horsforth as one of the top 10 secondary schools in the North.
- Attendance figures for the 2022-23 academic year were 93.8%, significantly higher than the national average.
- Horsforth School was last inspected in May 2018 when it was judged as 'Good'.

### **Going concern**

After making appropriate enquiries, the Directors have a reasonable expectation that Horsforth School 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 Accounting Policies.



## **Horsforth School TRUSTEES' REPORT (continued)**

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### **FINANCIAL REVIEW**

#### **Financial report for the year**

Horsforth School has had a healthy financially stable year with an overall £131k net outgoing, and free reserves standing at £885k. The school has invested £521k of revenue reserves on fixed assets, mainly the construction of a new 6<sup>th</sup> form common room to allow the school to expand admission numbers.

The school continued to operate within current year income streams. As at 31 August 2023, Horsforth School had a cash balance of £1,207k, a decrease from £1,470k in 2021-22. This is due to the investment of reserves in capital fixed assets.

The majority of Horsforth School's income is derived from grants provided by the ESFA (Education and Skills Funding Agency). In addition, income relating to SEN provision, Homes for Ukraine and Children Looked After has also been received from the LA (Local Authority).

All of the grants received from the ESFA and the LA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

#### **Reserves Policy**

The Trustees review the reserve levels of Horsforth School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Trust Board is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of Horsforth School whilst ensuring that excessive funds are not accumulated. As future pupil numbers are considered to be stable and through future Government funding, the Trustees are satisfied that the current unrestricted reserves, which are in line with the trust's target reserves level of £650k-£1,500k, will be sufficient to ensure a healthy financial position in the medium-term. Horsforth School's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £885k. Reserves are for future capital investment in IT and buildings.

#### **Investment Policy**

A return on working capital should be optimised whilst allowing easy access to the funds. In balancing risk against return Horsforth School's policy is clearly geared towards avoiding risk rather than to maximising return.

Horsforth School operates an interest-bearing current account with a bank approved by the Trust Board and maintains a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll and payment runs) and sufficient contingency (cash buffer) for unexpected payments.

Monies surplus to the working requirements may be invested in an account in the name of Horsforth School with the approved institutions authorised by the Trust Board. This may be a higher interest-bearing account operated by the same bank that Horsforth School operates its current account with, or an alternative approved institution.

Horsforth School will not take out any long-term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

## **Horsforth School TRUSTEES' REPORT (continued)**

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### **FUNDRAISING**

Horsforth School raises funds through holding events and activities to support the students of Horsforth School. Any fundraising activity is linked to a specific cause which donators are made aware of e.g. to support students on school trips. Horsforth School also supports the activities of the PTA (Parent Teacher Association). Horsforth School does not use professional fundraisers or involve commercial participators. The PTA has been dormant during the academic year 2022-23.

Horsforth School conforms to the Fundraising Regulator's Code of Fundraising Practice. Direct marketing is limited and overseen by the Senior Management Team to ensure that it is not unreasonably intrusive or persistent. There have been no complaints about fundraising activity this year.

### **PLANS FOR FUTURE PERIODS**

Our strategic priority continues to be to support our local community in all aspects of its learning.

Specific priorities are:

- To further develop our curriculum offer and embed the most recent evidence based practice.
- To continue to explore and develop innovative and transformational learning and teaching, so as to ensure access and engagement for all our learners.
- To improve the scope and quality of our already outstanding learner outcomes.
- To further engage students, parents and carers in the work of our school.
- To improve the already outstanding behaviour and attendance of our students.
- To continue to secure funding to provide appropriate accommodation for our existing and future students.
- To increase the use of our facility by the local community.
- To develop closer collaboration with our local primary schools.
- To develop closer collaboration with, and provide support for, educational partners.
- To grow our 6<sup>th</sup> form provision.


### **AUDITOR**

TC Group have been appointed as external auditors during 2023 and have expressed their willingness to continue in office.

#### **Statement as to disclosure of information to auditors**

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 13 December 2023 and signed on the Board's behalf by:

DocuSigned by:  
  
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**Rosemary Edwards  
Chair of Trustees**

## Horsforth School GOVERNANCE STATEMENT

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### Scope of Responsibility

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

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

The Trust Board has delegated the day-to-day responsibility to the Headteacher, 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 Horsforth School and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board has formally met six times during the year.

Attendance during the year (1st September 2022– 31st August 2023) at meetings of the Trust Board was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Keith Bothamley	5	6
Ian Dixon	6	6
Rosemary Edwards (Chair)	6	6
Tessa Freer (Maternity Leave from April 2022-May 2023)	1	2
Martin Hicks (appointed 03.10.22)	5	6
Tom La Dell	3	6
Shaun Riordan	5	6
Helen Shearer	5	6
Damon Shaw (appointed 12.12.22)	3	4
Steve Wood	6	6
<u>Headteacher Trustee</u>		
Dr Paul Bell	6	6

### Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee is a sub-committee of the main Trust Board. Its purpose is to:

- Assisting the Trust Board in meeting its responsibilities for financial reporting, internal and external auditing.
- Recommend appointment of Auditors to the Members.
- Agreeing a schedule of audit.
- Management of risk

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Rosemary Edwards	3	3
Tom La Dell (Chair of Audit, Risk and Finance Committee)	3	3
Helen Shearer	3	3
Steve Wood	3	3

## **Horsforth School GOVERNANCE STATEMENT (continued)**

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### **Conflicts of Interest**

Trustees complete an annual declaration of interest and the Chairs at each Board and Committee meeting ask if anyone has a conflict of interest in any of the items to be discussed at the meeting.

Annual declarations are logged on the register of interests and published on the website.

In the event of a conflict of interests declared at a meeting in relation to an agenda item, the minutes of the meeting would record the following:

- The nature of the conflict;
- Which Trustee it relates to;
- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;
- Whether the Trustee(s) withdrew from the meeting;
- How the Trustees made the decision in the best interests of the school

### **Review of Value for Money**

As Accounting Officer, the Headteacher has responsibility for ensuring that Horsforth School delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayers resources received.

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

### ***Raising student attainment***

- 33% of all grades were at a 7 or higher. 82% 4+ in English and maths at GCSE level and 64% of students achieved 5+ in English and maths. The School's Progress 8 was an excellent +0.75 with the Attainment 8 figure of 57.5. These maintain the school's history of excellent performance in external examinations and are one of the best results in Leeds.
- Income for Pupil Premium students has been effectively used, with gaps between cohorts closing rapidly. Details are available on our website.
- Tracking student progress regularly and accurately allows us to identify the most effective use of intervention resources.
- External data analysis shows that student attainment at Horsforth is significantly higher than average performance across the country.
- We regularly review the staffing structure to ensure efficient and effective deployment, leading to both high quality teaching and learning and value for money, e.g. increased use of staff delivering literacy and numeracy intervention to low prior attaining students.
- Ofsted inspection in May 2018, again judged student behaviour to be outstanding (fifth successive occasion for this).

## Horsforth School GOVERNANCE STATEMENT (continued)

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### **Financial performance**

- Financial governance and oversight is strong.
- The school remains in a healthy financial position currently, continuing to operate within annual grant and income streams, whilst retaining a contingency fund to be able to mitigate risk. However, the school is aware of future years' challenges and is taking account of these when making financial decisions.
- We operate strong internal controls to support the school in achieving value for money including:
  - Adherence to the school procurement policy that states that a minimum of three quotes be obtained for certain levels of expenditure.
  - Annual review of contracts to assess value for money.
- All expenditure decisions are made in line with school objectives, known risks and priorities.
- School initiatives are appraised by assessing pupil outcomes in comparison to cost.
- Drive to increase the use of the school for community benefits and to increase lettings income.
- The school also takes advantage of procurement consortiums e.g. YPO and Bloom.
- Medium-term financial planning ensuring the school remains a going concern and both initiatives and investments are sustainable.
- Investment in staff CPD.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Horsforth School's 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 Horsforth School for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which Horsforth School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing Horsforth School's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

## Horsforth School GOVERNANCE STATEMENT (continued)

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### The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- 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 Trust Board has considered the need for a specific internal audit function and has decided to appoint Leeds City Council as internal auditor.

Leeds City Council provides advice on financial matters and performs a range of checks on the school's financial systems. In particular, the checks carried out in the current period included:

- Governance
- Financial planning, monitoring and reporting
- Internal control and internal scrutiny

The auditor reports to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

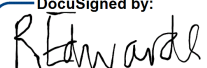
### Review of Effectiveness

As Accounting Officer, the Headteacher has responsibilities for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The work of the internal auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process or the school resource management self-assessment tool;
- The work of senior leaders within school who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:

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**Rosemary Edwards**  
Chair of Trustees

DocuSigned by:  
  
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**Dr Paul Bell**  
Accounting Officer

**Horsforth School**  
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Horsforth School, I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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

DocuSigned by:  
  
.....5082A77ABB61489.....

**Dr Paul Bell**  
**Accounting Officer**

**Date: 13 December 2023**

## Horsforth School STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

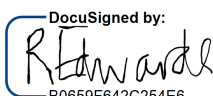
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 on 13 December 2023 and signed on its behalf by:

DocuSigned by:  
  
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**Rosemary Edwards**  
Chair of Trustees



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSFORTH SCHOOL**

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### **Opinion**

We have audited the financial statements of Horsforth School (the 'Academy Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSFORTH SCHOOL (continued)**

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### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, 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 or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSFORTH SCHOOL (continued)**

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, Charities SORP 2019, Accounts Direction 2022 to 2023, the Charities Act 2011 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the sector, the control environment and operational performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.


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). This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSFORTH SCHOOL (continued)

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### Use of this report

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

DocuSigned by:  
  
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Mark Hunter FCA (Senior Statutory Auditor)  
For and on behalf of TC Group, Statutory Auditor

6 Queen Street  
Leeds  
LS1 2TW

Date: 15/12/2023

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HORSFORTH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 21 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horsforth School during the period from 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Horsforth School's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Horsforth School's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement of regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirements of the Academy Trust Handbook 2022;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO HORSFORTH SCHOOL 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 period from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:  
*TC Group*  
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Reporting Accountant  
TC Group

6 Queen Street  
Leeds  
LS1 2TW

Date: 15/12/2023

**Horsforth School**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)  
**for the year ended 31 August 2023**

	<i>Notes</i>	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total 2023 £'000</b>	<b>Total 2022 £'000</b>
<b>INCOME FROM:</b>						
Donations and capital grants	1	-	-	577	577	388
Other trading activities	2	123	-	-	123	103
Charitable activities:						
Funding for the Academy Trust's educational operations	3	947	9,364	-	10,311	8,869
<b>Total</b>		<b>1,070</b>	<b>9,364</b>	<b>577</b>	<b>11,011</b>	<b>9,360</b>
<b>EXPENDITURE ON:</b>						
Raising funds	4	62	-	-	62	43
Charitable activities:						
Academy Trust's educational operations	5	944	9,231	783	10,958	9,926
<b>Total</b>	4	<b>1,006</b>	<b>9,231</b>	<b>783</b>	<b>11,020</b>	<b>9,969</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>64</b>	<b>133</b>	<b>(206)</b>	<b>(9)</b>	<b>(609)</b>
Gross transfers between funds	13	(248)	(273)	521	-	-
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gain on defined benefit pension scheme	22	-	402	-	402	4,727
<b>NET MOVEMENT IN FUNDS</b>		<b>(184)</b>	<b>262</b>	<b>315</b>	<b>393</b>	<b>4,118</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		1,069	-	14,699	15,768	11,650
<b>TOTAL FUNDS CARRIED FORWARD</b>	13	<b>885</b>	<b>262</b>	<b>15,014</b>	<b>16,161</b>	<b>15,768</b>

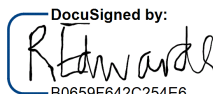
All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

**Horsforth School**  
**BALANCE SHEET**  
**As at 31 August 2023**

**Registration number: 07849654**

	<i>Notes</i>	<b>2023</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>FIXED ASSETS</b>					
Tangible assets	9		<b>14,634</b>		14,528
<b>CURRENT ASSETS</b>					
Stocks	10	<b>6</b>		4	
Debtors	11	<b>534</b>		864	
Cash at bank and in hand		<b>1,207</b>		1,470	
		<b>1,747</b>		2,338	
<b>CREDITORS: Amounts falling due within one year</b>					
	12	<b>(482)</b>		(1,098)	
<b>NET CURRENT ASSETS</b>					
			<b>1,265</b>		1,240
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<b>15,899</b>		15,768
<b>NET ASSETS EXCLUDING PENSION ASSET</b>					
			<b>15,899</b>		15,768
Pension scheme asset	22		<b>262</b>		-
<b>NET ASSETS INCLUDING PENSION ASSET</b>					
			<b>16,161</b>		15,768
<b>FUNDS OF THE ACADEMY TRUST: RESTRICTED FUNDS</b>					
Fixed asset funds	13		<b>15,014</b>		14,699
Restricted income funds	13		-		-
Pension reserve	13		<b>262</b>		-
<b>TOTAL RESTRICTED FUNDS</b>					
			<b>15,276</b>		14,699
<b>UNRESTRICTED FUNDS</b>					
General funds	13		<b>885</b>		1,069
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>					
			<b>885</b>		1,069
<b>TOTAL FUNDS</b>					
			<b>16,161</b>		15,768

The financial statements on pages 21 to 43 were approved by the Trustees and authorised for issue on 13 December 2023 and are signed on their behalf by:

DocuSigned by:  
  
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Rosemary Edwards  
**Chair of Trustees**

Date: 14/12/2023



**Horsforth School**  
**CASH FLOW STATEMENT**  
**for the year ended 31 August 2023**

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	Notes	2023 £'000	2022 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	17	690	3,153
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	18	(953)	(4,060)
		<hr/>	<hr/>
<b>INCREASE IN CASH IN THE YEAR</b>		<u>(263)</u>	<u>(907)</u>
<b>CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER</b>		1,470	2,377
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	19	<u>1,207</u>	<u>1,470</u>

## **Horsforth School**

### **ACCOUNTING POLICIES**

#### **for the year ended 31 August 2023**

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#### **Statement of accounting policies**

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

#### **Basis of Preparation**

Horsforth School is a private company limited by guarantee incorporated in England and Wales. The address of the registered office is Lee Lane East, Horsforth, Leeds, LS18 5RF. The nature of the Academy Trust's operations and principal activities are set out in the Trustees' Report on page 2.

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency (ESFA), the Charities Act 2011 and the Companies Act 2006.

Horsforth School meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

#### **Going Concern**

The financial statements are prepared on a going concern basis. Having carried out a detailed review of the Academy's resources and the challenges presented by the current economic climate, the trustees are confident that the Academy has sufficient resources to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

#### **Income**

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

#### **Grants receivable**

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

The General Annual Grant from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

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

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

#### **Donations**

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

**Horsforth School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2023**

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**Other income**

Other income, including hire of facilities, catering income and miscellaneous income, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

**Interest receivable**

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

**Expenditure**

All 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**

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

**Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Tangible fixed assets costing £500 or more are capitalised at cost, and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic lives. 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.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Inherited buildings are depreciated on a 4% straight line basis. Additions are depreciated based on estimated lifespan. E.g. EBACC build is depreciated on a 2% straight line basis, the Astro Turf on a 7% straight line basis and certain building improvements between 10% and 20% straight line basis.

Long leasehold land and buildings	2% to 10% straight line basis
Fixtures, fittings and equipment	10% to 33% straight line basis
Computer equipment	20% to 25% straight line basis
Motor vehicles	20% straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**Horsforth School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2023**

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**Stock**

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

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**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.

**Liabilities**

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

**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 debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security creditors are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**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 part 11, chapter 3 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.

**Leased assets**

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

## **Horsforth School**

### **ACCOUNTING POLICIES (continued)**

#### **for the year ended 31 August 2023**

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#### **Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### **Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

Restricted General funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

#### **Critical accounting estimates and areas of judgement**

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

#### ***Critical accounting estimates and assumptions***

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

#### ***Local Government Pension Scheme liability***

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 22, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Horsforth School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2023**

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*Useful economic lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

The carrying value of tangible fixed assets is £14,634,000 (2022 - £14,528,000) and the useful economic life of each category of fixed asset is set out in the accounting policies, under "Tangible fixed assets", above.

**Agency arrangements**

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

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2023**

**1 DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
ESFA capital grants	-	500	500	307
Local Authority capital grants		77	77	81
	<b>-</b>	<b>577</b>	<b>577</b>	<b>388</b>

All income from donations and capital grants was restricted in both reporting periods.

**2 OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
Hire of facilities	123	-	123	103
	<b>123</b>	<b>-</b>	<b>123</b>	<b>103</b>

All income from other trading activities was unrestricted in both reporting periods.

**3 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
<b>DfE/ESFA GRANTS</b>				
General Annual Grant (GAG)	-	8,216	8,216	7,514
Pupil Premium	-	208	208	201
Supplementary grant	-	317	317	-
Other DfE/EFA grants	-	155	155	288
	<b>-</b>	<b>8,896</b>	<b>8,896</b>	<b>8,003</b>
<b>OTHER GOVERNMENT GRANTS</b>				
SEN from Local Authority	-	84	84	39
Other Local Authority grants	-	284	284	286
	<b>-</b>	<b>368</b>	<b>368</b>	<b>325</b>
<b>OTHER INCOME</b>				
Catering	378	-	378	312
Academy trips	354	-	354	16
Cluster	48	-	48	52
Other	167	100	267	161
	<b>947</b>	<b>100</b>	<b>1,047</b>	<b>541</b>
	<b>947</b>	<b>9,364</b>	<b>10,311</b>	<b>8,869</b>

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

**3 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (continued)**

Funding for the Academy Trust's educational operations amounted to £10,311,000 (2022 - £8,869,000) of which £9,364,000 (2022 - £8,375,000) was attributable to restricted and £947,000 (2022 - £494,000) was attributable to unrestricted funds.

**4 EXPENDITURE**

	Staff costs £'000	Non-Pay Expenditure		2023 Total £'000	2022 Total £'000
		Premises £'000	Other £'000		
Expenditure on raising funds					
Direct costs	62	-	-	62	43
Academy's educational operations:					
Direct costs	6,921	667	549	8,137	7,206
Allocated support costs	907	759	1,155	2,821	2,720
	<u>7,828</u>	<u>1,426</u>	<u>1,704</u>	<u>10,958</u>	<u>9,926</u>
	<u>7,890</u>	<u>1,426</u>	<u>1,704</u>	<u>11,020</u>	<u>9,969</u>

All expenditure on raising funds was attributable to unrestricted funds in both reporting periods.

Net income/(expenditure) for the period is stated after charging/(crediting):	2023 £'000	2022 £'000
Depreciation	783	649
Loss on disposal of fixed assets	-	1
Operating leases:		
Plant and machinery	14	13
Fees payable to auditor for:		
Audit	12	11
Other services	3	3



**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

**5 CHARITABLE ACTIVITIES**

	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Direct costs – educational operations	8,137	7,206
Support costs – educational operations	2,821	2,720
	<u>10,958</u>	<u>9,926</u>

**Analysis of support costs**

	<b>Educational operations</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>Total</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>
Support staff costs	907	907	1,302
Depreciation	116	116	53
Premises costs	759	759	693
Catering	310	310	229
Trips	370	370	87
Governance	28	28	18
Other support costs	331	331	271
<b>Total support costs</b>	<u>2,821</u>	<u>2,821</u>	<u>2,720</u>

Expenditure on the Academy Trust's educational operations amounted to £10,958,000 (2022 - £9,926,000) of which £10,014,000 (2022 - £9,522,000) was attributable to restricted and £944,000 (2022 - £404,000) was attributable to unrestricted funds.

**6 STAFF COSTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	5,761	5,285
Social security costs	577	541
Other pension cost	1,308	1,648
Apprenticeship levy	14	11
	<u>7,660</u>	<u>7,485</u>
Supply teacher costs	219	150
Staff restructuring costs	11	19
	<u>7,890</u>	<u>7,654</u>
<b>Staff restructuring costs comprise:</b>		
Severance payments	11	19
	<u>11</u>	<u>19</u>

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

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**6 STAFF COSTS (continued)**

**b. Severance payments**

The Academy paid one severance payment in the year (2022 – two). All payments in both reporting periods fell into the £0 - £25,000 band.

Included in staff restructuring costs are non-contractual severance payments totalling £10,632 (2022 - £19,431). Individually, the payments were £10,632 (2022 - £16,207 and £3,224).

**c. Staff numbers**

The average number of persons employed by Horsforth School during the period was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	<b>88</b>	85
Administration and support	<b>66</b>	71
Management	<b>11</b>	11
	<b>165</b>	167

**d. Higher paid staff**

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	<b>4</b>	4
£70,001 - £80,000	<b>2</b>	2
£110,001 - £120,000	-	1
£120,001 - £130,000	<b>1</b>	-

**e. Key management personnel**

The key management personnel of Horsforth School comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to Horsforth School was £1,001,402 (2022 - £1,153,293).

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

**7 RELATED PARTY TRANSACTIONS – Trustees’ remuneration and expenses**

The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees’ remuneration and other benefits was as follows:

P Bell (Headteacher)

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

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

T Freer (staff Trustee)

Remuneration: £5,000 - £10,000 (2022 - £20,000 - £25,000)

Employer’s pension contributions: £0 - £5,000 (2022 - £0 - £5,000)

During the period ended 31 August 2023, expenses totalling £51 (2022 - £507) were reimbursed or paid directly to one trustee (2022 – one trustee) for expenses incurred in their role as a staff member.

**8 TRUSTEES AND OFFICERS INSURANCE**

In accordance with normal commercial practice Horsforth School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Horsforth School business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost of Risk Protection Arrangement (RPA) for academy trusts.

**9 TANGIBLE FIXED ASSETS**

	Leasehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
At 1 September 2022	18,364	493	258	747	20	<b>19,882</b>
Transfer	493	(493)	-	-	-	-
Additions	331	371	109	78	-	<b>889</b>
At 31 August 2023	<b>19,188</b>	<b>371</b>	<b>367</b>	<b>825</b>	<b>20</b>	<b>20,771</b>
<b>Depreciation</b>						
At 1 September 2022	4,808	-	216	318	12	<b>5,354</b>
Charged in year	644	-	20	116	3	<b>783</b>
At 31 August 2023	<b>5,452</b>	<b>-</b>	<b>236</b>	<b>434</b>	<b>15</b>	<b>6,137</b>
<b>Net book values</b>						
At 31 August 2023	<b>13,736</b>	<b>371</b>	<b>131</b>	<b>391</b>	<b>5</b>	<b>14,634</b>
At 31 August 2022	13,556	493	42	429	8	14,528

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

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<b>10</b>	<b>STOCK</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Catering	<u>6</u>	<u>4</u>
<b>11</b>	<b>DEBTORS</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Trade debtors	29	59
	Prepayments and accrued income	378	365
	VAT recoverable	<u>127</u>	<u>440</u>
		<u>534</u>	<u>864</u>
<b>12</b>	<b>CREDITORS: Amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Trade creditors	195	198
	Other creditors	61	22
	Accruals and deferred income	<u>226</u>	<u>878</u>
		<u>482</u>	<u>1,098</u>
	<b>Deferred income</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income at 1 September	198	13
	Resources deferred in the year	61	198
	Amounts released from previous years	<u>(198)</u>	<u>(13)</u>
		<u>61</u>	<u>198</u>

At the balance sheet date, Horsforth School was holding funds received in advance for school trips and grants received relating to future periods.

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

**13 FUNDS**

	Balance at 1 September 2022 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2023 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	8,216	(7,943)	(273)	-
Pupil premium	-	208	(208)	-	-
Supplementary grant	-	317	(317)	-	-
Other DfE/ESFA grants	-	155	(155)	-	-
LEA and other grants	-	368	(368)	-	-
Other restricted	-	100	(100)	-	-
	-	9,364	(9,091)	(273)	-
Pension reserve	-	-	(140)	402	<b>262</b>
	-	9,364	(9,231)	129	<b>262</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,587	500	(156)	-	<b>2,931</b>
Other restricted donations	5	-	(5)	-	-
Transferred on conversion	5,546	-	(336)	-	<b>5,210</b>
Capital expenditure from GAG	1,013	-	(150)	521	<b>1,384</b>
Local authority capital grant	5,548	77	(136)	-	<b>5,489</b>
	14,699	577	(783)	521	<b>15,014</b>
<b>Total restricted funds</b>	<b>14,699</b>	<b>9,941</b>	<b>(10,014)</b>	<b>650</b>	<b>15,276</b>
<b>Unrestricted funds</b>					
Unrestricted funds	1,069	1,070	(1,006)	(248)	<b>885</b>
<b>Total unrestricted funds</b>	<b>1,069</b>	<b>1,070</b>	<b>(1,006)</b>	<b>(248)</b>	<b>885</b>
<b>Total funds</b>	<b>15,768</b>	<b>11,011</b>	<b>(11,020)</b>	<b>402</b>	<b>16,161</b>

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

- (i) The General Annual Grant must be used for recurrent expenditure of Horsforth School. Under the funding agreement with the Secretary of State, Horsforth School was not subject to a limit on the GAG that it could carry forward at 31 August 2023.
- (ii) Restricted Fixed Asset funds relate to income received from the DfE, other government grants and transfers from GAG income and unrestricted funds. The fund balance includes donated assets relating to school buildings. Depreciation relating to the assets procured is charged against these funds over the life of the assets.
- (iii) Unrestricted funds relate to surpluses brought across on conversion and self-generated income since conversion.

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

**13 FUNDS (continued)**

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

	Balance at 1 September 2021 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	90	7,514	(7,366)	(238)	-
Pupil Premium	-	201	(201)	-	-
Other DfE/ESFA grants	-	658	(658)	-	-
Other restricted	-	2	(2)	-	-
	90	8,375	(8,227)	(238)	-
Pension reserve	(4,068)	-	(659)	4,727	-
	(3,978)	8,375	(8,886)	4,489	-
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,369	307	(89)	-	2,587
Other restricted donations	15	-	(10)	-	5
Transferred on conversion	6,010	-	(464)	-	5,546
Capital expenditure from GAG	306	-	(73)	780	1,013
Local authority capital grant	5,467	81	-	-	5,548
	14,167	388	(636)	780	14,699
<b>Total restricted funds</b>	<b>10,189</b>	<b>8,763</b>	<b>(9,522)</b>	<b>5,269</b>	<b>14,699</b>
<b>Unrestricted funds</b>					
Unrestricted funds	1,461	597	(447)	(542)	1,069
<b>Total unrestricted funds</b>	<b>1,461</b>	<b>597</b>	<b>(447)</b>	<b>(542)</b>	<b>1,069</b>
<b>Total funds</b>	<b>11,650</b>	<b>9,360</b>	<b>(9,969)</b>	<b>4,727</b>	<b>15,768</b>

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	14,634	<b>14,634</b>
Current assets	935	239	573	<b>1,747</b>
Current liabilities	(50)	(239)	(193)	<b>(482)</b>
Pension asset	-	262	-	<b>262</b>
<b>Total net assets</b>	<b>885</b>	<b>262</b>	<b>15,014</b>	<b>16,161</b>

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

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	14,528	<b>14,528</b>
Current assets	1,608	559	171	<b>2,338</b>
Current liabilities	(539)	(559)	-	<b>(1,098)</b>
<b>Total net assets</b>	<b>1,069</b>	<b>-</b>	<b>14,699</b>	<b>15,768</b>

**15 CAPITAL COMMITMENTS**

	2023 £'000	2022 £'000
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	<b>332</b>	351

**16 COMMITMENTS UNDER OPERATING LEASES**

**OPERATING LEASES**

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

	2023 £'000	2022 £'000
Amounts due within one year	<b>10</b>	5
Amounts due between one and five years	<b>10</b>	4
	<b>20</b>	9

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

<b>17</b>	<b>RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Net expenditure	(9)	(609)
	Depreciation (note 9)	783	649
	Profit on disposal of tangible fixed assets	-	1
	Capital grants from DfE and other capital income	(388)	(388)
	Defined benefit pension scheme cost less contributions payable (note 22)	152	592
	Defined benefit pension scheme finance cost (note 22)	(12)	67
	(Increase) / decrease in stocks	(2)	1
	Decrease in debtors	315	2,301
	(Decrease) / increase in creditors	(149)	539
	<b>Net cash provided by operating activities</b>	<b>690</b>	<b>3,153</b>
<b>18</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Purchase of tangible fixed assets	(1,356)	(4,448)
	Capital grants from DfE/ESFA	403	388
	<b>Net cash used in investing activities</b>	<b>(953)</b>	<b>(4,060)</b>
<b>19</b>	<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Cash in hand and at bank	1,207	1,470
	<b>Total cash and cash equivalents</b>	<b>1,207</b>	<b>1,470</b>
<b>20</b>	<b>ANALYSIS OF CHANGES IN NET DEBT</b>		
		<b>At 1</b>	
		<b>September</b>	
		<b>2022</b>	<b>Balance at 31</b>
		<b>£'000</b>	<b>August 2023</b>
			<b>£'000</b>
	Cash and cash equivalents	1,470	1,207
		(263)	-
		1,470	1,207



**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

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**21 CONTINGENT LIABILITIES**

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

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

- (a) the value at that time of the Trust's assets held for the purpose of the Trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**22 PENSION AND SIMILAR OBLIGATIONS**

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

The latest actuarial valuation of the TPS impacting these financial statements related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2022.

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pensions Scheme**

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

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

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

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

In October 2023, the Government Actuary published the most recent actuarial valuation for the TPS as at 31 March 2020. This valuation result is due to be implemented from 1 April 2024 and details of the key elements of the valuation can be found at:

<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>.

The employer's pension costs paid to TPS in the period amounted to £904,000 (2022 - £839,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £355,000 (2022 - £307,000) of which employer's contributions totalled £252,000 (2022 - £217,000) and employees' contribution totalled £103,000 (2022 - £90,000). The agreed rates for future years are 14.6 per cent for employers and ranging between 5.5 and 12.5 per cent for employees.

As described in note 1 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

<b>Principal actuarial assumptions</b>	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
Rate of increase in salaries	<b>3.85%</b>	3.95%
Rate of increase for pensions in payment/inflation	<b>2.60%</b>	2.70%
Discount rate for scheme liabilities	<b>5.10%</b>	4.10%
Inflation assumption (CPI)	<b>2.60%</b>	2.70%
Commutation of pensions to lump sums	<b>80.00%</b>	75.00%

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

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
<i>Retiring today</i>		
Males	<b>21.0</b>	21.8
Females	<b>24.1</b>	24.6
<i>Retiring in 20 years</i>		
Males	<b>22.2</b>	22.5
Females	<b>25.1</b>	25.7

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

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

**Sensitivity analysis**

The approximate impact of changing key assumptions on the present value of the funded defined benefit pension obligation is detailed below. In each case, only the assumption listed is altered; all other assumptions remain unchanged. A positive value represents an increase in the defined benefit pension obligation:

	<b>At 31 August 2023 £'000</b>	<b>At 31 August 2022 £'000</b>
Discount rate +0.1%	(127)	(165)
Discount rate -0.1%	127	165
Mortality assumption – 1-year increase	(168)	(201)
Mortality assumption – 1-year decrease	168	201
CPI rate +0.1%	107	136
CPI rate -0.1%	(114)	(136)

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

	<b>Fair value at 31 August 2023 £'000</b>	<b>Fair value at 31 August 2022 £'000</b>
Equities	5,580	5,858
Property	230	286
Government bonds	516	469
Corporate bonds	314	315
Cash	272	293
Other	56	110
<b>Total market value of assets</b>	<b>6,968</b>	7,331
Present value of scheme liabilities		
- Funded	(6,706)	(7,331)
<b>Surplus/(deficit) in the scheme</b>	<b>262</b>	-

The actual return on scheme assets was a £567,000 loss (2022 - £109,000 gain).

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

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

**Amounts recognised in the Statement of Financial Activities**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	404	809
Interest cost	(12)	67
Total amount recognised in the SOFA	<u>392</u>	<u>876</u>

**Amounts recognised in Other Comprehensive Income**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Asset losses arising in the period	(872)	(12)
Liability gains arising in the period	1,274	4,739
Total amount recognised in other comprehensive income	<u>402</u>	<u>4,727</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 September</b>	<b>7,331</b>	<b>11,087</b>
Current service cost	404	809
Interest cost	293	188
Employee contributions	103	90
Actuarial gain	(1,274)	(4,739)
Benefits paid	(151)	(104)
<b>At 31 August</b>	<u><b>6,706</b></u>	<u><b>7,331</b></u>

**Changes in the fair value of Academy Trust's share of scheme assets**

<b>At 1 September</b>	<b>7,331</b>	<b>7,019</b>
Interest income on assets	305	121
Remeasurement losses on assets	(872)	(12)
Employer contributions	252	217
Employee contributions	103	90
Benefits paid	(151)	(104)
<b>At 31 August</b>	<u><b>6,968</b></u>	<u><b>7,331</b></u>

The estimated value of employer contributions for the year ended 31 August 2024 is £269,000.

**Horsforth School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2023**

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**23 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.

**24 RELATED PARTIES**

No related party transactions took place during the period of account, other than certain trustees' remuneration and expenses already disclosed in note 7.

**25 AGENCY ARRANGEMENTS**

Horsforth School administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year, it received £8,000 (2022 - £12,000) and disbursed £7,000 (2022 - £14,000). At 31 August 2023 there was an unspent amount of £2,000 (2022 - £1,000), which is included in other creditor