

Company Registration No. 07614421 (England and Wales)

**THE HEATH FAMILY (NORTH WEST)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# THE HEATH FAMILY (NORTH WEST)

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# THE HEATH FAMILY (NORTH WEST)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

P Cain  
L Driscoll  
A Ryder (appointed 22 January 2021; resigned 21 August 2021)  
P Saunders (appointed 22 January 2021; resigned 2 April 2021)  
S Yeoman

### Trustees

C R Davis (Appointed 22 January 2021)  
M J Davies  
A J Duckworth  
A S Gundersen (Appointed 22 January 2021)  
J M Inglis (Appointed 22 January 2021)  
D R Lancaster (Resigned 4 September 2020)  
K Smith  
M Stanton (Appointed 22 January 2021)  
H C Stevenson (Chair)  
A K Subramanayam (Resigned 17 December 2020)  
T E Vitalis (Vice Chair)  
K E Whittlesey  
A S Williams (Appointed 22 January 2021)

### Senior management team

- Chief Executive Officer  
- Chief Operating Officer  
- Trust Financial Controller  
- Director of Teaching and Learning

D Donnelly  
C Parkinson  
J McConville  
S Black

### Company secretary

P A Roberts

### Company registration number

07614421 (England and Wales)

### Principal and registered office

c/o Palace Fields Primary School  
Badger Close  
Palace Fields  
Runcorn  
Cheshire  
WA7 2QW

# THE HEATH FAMILY (NORTH WEST)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Academies operated

Litherland Moss	Litherland, Merseyside	J Gibbons
The Heath Academy	Runcorn, Cheshire	J Jardine (Exec Principal)
Bridgewater Park Academy	Runcorn, Cheshire	K Murphy
Sir William Stanier Academy (no longer held)	Crewe, Cheshire	J Fraser
Litherland Academy	Litherland, Merseyside	D Yates
The Prescott School	Prescot, Merseyside	J Jardine (Exec Principal)
Palace Fields Primary	Runcorn, Cheshire	P Holloway
Daresbury Primary	Warrington, Cheshire	C J Roberts
Halsnead Primary	Prescot, Merseyside	D Catt

### Independent auditor

Mitchell Charlesworth LLP  
3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
Merseyside  
L2 5RH

### Solicitors

Hill Dickinson LLP  
No.1 St. Pauls Square  
Liverpool  
Merseyside  
L3 9SJ

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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

The academy trust operates academies for pupils aged 3-16 serving catchment areas in Halton, Knowsley and Sefton. It has a pupil capacity of 4,260 and had a roll of 3,584 in the school census on 1 October 2020.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association dated 17 February 2015 are the primary governing documents of the academy trust.

The trustees of The Heath Family (North West) are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

Qualifying third party indemnity provision has been obtained by the trust for the benefit of trustees.

##### Method of recruitment and appointment or election of trustees

The members may appoint up to sixteen directors.

The members may appoint staff directors through such processes as they determine, provided that the total number of directors who are employees of the company does not exceed one third of the total number of directors.

#### **Parent Directors**

As the trust has appointed Local Governing Bodies as per Article 100a, and these LGBs include a minimum of two parent governors, there is no requirement for the trust to appoint any parent directors.

#### **Co-opted Directors**

The directors may appoint up to five co-opted directors. A 'co-opted director' means a person who is appointed to be a director by being co-opted by directors who have not themselves been so appointed.

The directors may not co-opt an employee of the company as a co-opted director if thereby the number of directors who are employees of the company would exceed one third of the total number of directors including the Chief Executive Officer.

##### Policies and procedures adopted for the induction and training of trustees

New governors are, upon appointment, issued with a welcome pack and inducted by the Chair of Governors. The trust schools have access to e-learning modules and a central training programme via, amongst others, the National Governors Association.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### Organisational structure

The Heath School was a company limited by guarantee and an exempt registered charity which was set up to provide outstanding educational opportunities for students of different abilities between the ages of 11-16. It relied on government funding to finance and to carry out its statutory obligations.

The Heath School converted from a single academy to a multi academy trust. Initially the Heath was the sole member of The Heath Family (NW) Multi Academy Trust but on 1 September 2013 Sir William Stanier School, a Sponsored Secondary Academy, joined the Trust. On 1 March 2014, The Park Primary, a Sponsored Primary Academy, also joined, renaming to Bridgewater Park Primary School. On 1 March 2015, Litherland High School, a Sponsored Academy, joined the Trust, followed by Knowsley Park Centre for Learning on 1 August 2016 (which was renamed The Prescott School). Palace Fields Primary Academy was re-brokered and joined the Trust on 1 September 2016, Daresbury Primary School joined on 1 November 2016, Halsnead was acquired on 1 June 2017 and Litherland Moss Primary School became the latest Trust school on 1 September 2018. Sir William Stanier was rebrokered as of 31 March 2020.

The Heath Family (North West) management structure has three tiers: the Members, Trustees and the Senior Management Team (SMT). Directors are responsible for the setting of general policy, approval of a framework for development and adopting an annual budget plan. During the last three financial years significant recruitment of new directors has taken place to strengthen the financial and operational governance of the Trust and increase the professional expertise available to achieve delivery of Trust objectives.

The SMT consists of the Chief Executive Officer, Director of Teaching and Learning, Chief Operating Officer and Trust Financial Controller. The SMT control the Trust at an executive level implementing the policies laid down by Trustees and reporting back to them. The SMT is responsible for the authorisation of spending within agreed budgets and up to a level detailed in the scheme of delegation.

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

It is essential that in order to uphold business stability the Trust retain the best talent, and that pay and remuneration is proportionate to the role the individual plays in promoting the long term success of the Trust.

The Trust commissioned the Local Government Association (LGA) to undertake a review of the salaries of those in the central team who were not subject to national pay scales, to ensure salaries were appropriate and commensurate for the role. As a result, the Trust implemented a pay scale for those members of staff in June 2020. The LGA recommendations were accepted in full. Salary points and scales for Central Staff equate to the leadership pay range and reflect the ranges included within the STPCD, with the CEO salary capped at a maximum ratio of 8 times the rate of the lowest paid member of staff in the Trust.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	10
Full-time equivalent employee number	9.40

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

Percentage of time	Number of employees
0%	-
1%-50%	10
51%-99%	-
100%	-

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

Total cost of facility time	17,827
Total pay bill	18,545,290
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	24%
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#### Engagement with employees

The Governance structure of the Trust includes a minimum of two Staff Representatives on all Local Governing Bodies. Staff representatives are elected for all staff members and are charged with representing the views of their colleagues as well as ensuring colleagues are informed on relevant matters.

The Trust also engages with Unions and Professional Associations through a Joint Consultation and Negotiation Committee (JCNC) on at least a termly basis. The Trust consults through the JCNC on all relevant policies and provides a forum for discussion of any issues of mutual interest.

All schools hold staff briefings on at least a weekly basis to inform staff of developments and seek views where appropriate.

Specific consultations with staff are carried out on key issues to ensure the Trust understands and addresses any concerns. Staff have been extensively consulted with throughout the COVID pandemic: All risk assessments and plans were shared with staff directly and through the JCNC process, Principals have held regular briefings with staff and the Trust has written to staff directly to clarify procedures and approaches.

The Trust ensures that all policies, procedures and practice, including recruitment processes take into account the needs of disabled employees and applicants. Where appropriate adaptations are put in place.

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

The Trust endeavours to carry out its purchasing and procurement activities with equity and impartiality, whilst maintaining best value for the Trust. Policies and procedures are in place to ensure that all goods and services are purchased with a consistent and fair process. The Trust is mindful of agreed payment terms, and in particular endeavours to ensure that small local businesses are not impacted by late payment. The Trust has striven to maintain this during the coronavirus pandemic and has set up systems centrally to receive and process invoices and ensure payments are made.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### Objectives and activities

#### Our Mission

To provide an exceptional education for our young people, ensuring that every member of our community achieves strong academic outcomes and experiences a range of opportunities that enable them to develop the character, aspirations, and resilience to unlock the doors to their future.

Through collaboration and a relentless commitment to excellence: Together, we put individuals first.

#### Our Principles

- By working together, within and across our schools, we are united in our pledge to:
- Provide an inclusive education that recognises the uniqueness of every child and has high expectations for all
- Offer an ambitious curriculum, designed to enable our young people to achieve success and overcome disadvantage, ensuring that they are exposed to the best that has been thought and said
- Invest in the professional development of our staff, grounded in evidence-based research, so that teaching ensures long-term retention of knowledge and the use of metacognitive strategies that enable our young people to learn and achieve well
- Embed a values-driven culture and ethos that underpins every aspect of school and trust life and is evident in policy and practice
- Instil in our young people a sense of self-belief and social responsibility, through character education, that enables them to flourish as individuals and make a positive contribution to society
- Promote and enhance the wellbeing of staff by prioritising mental health, providing access to resources to support wellbeing and regularly seeking their views.



## THE HEATH FAMILY (NORTH WEST)

### TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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#### Our Values

<b>Collaboration</b>	We will work together, sharing resources and expertise to improve outcomes for all.
<b>Kindness</b>	We will treat one another with kindness – intentionally extending good to others, showing each other compassion and warmth.
<b>Respect</b>	We will treat each other with courtesy, encourage the expression of opinions and ideas and value the contribution of all.
<b>Resilience</b>	We will be open and reflective when faced with challenge and will persevere to pursue our goals.
<b>Aspiration</b>	We will hold the highest expectations for all members of our community and will empower others to believe in themselves.
<b>Integrity</b>	We will be open, honest, dependable and hold ourselves and each other to account.



Many of our schools have already incorporated these values into their work, particularly within PHSE and will continue to develop this work over the coming years.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Significant activities

The core purpose of the Trust is teaching and learning. The deployment and effectiveness of staff and resources are constantly measured by their contribution to the overall quality of teaching and learning, and therefore the standards achieved by its students. Moreover, the emphasis of everyone's work is 'learning'.

Key actions which support the main purpose of the organisation are:

- A robust quality assurance process for the observation of teaching and learning;
- A secure use and understanding of data to track and measure the progress of students and inform intervention;
- Targeted CPD and training opportunities to ensure maximum effectiveness and value for money.

#### Public benefit

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

### **Strategic report**

#### Promoting the success of the Heath Family (NW)

The Trustees have acted with due regard to their obligations set out in s172 of the Companies Act 2006 to promote the success of the Heath Family (NW) to achieve its charitable purpose. Trustees, LGBs, the CEO and SMT recognise that good governance is key to the success of the Trust, its employees, the community and the achievements of its pupils.

The Trustees have had due regard to compliance with both the law and relevant regulations, promoting a culture where the Trust is constantly working towards its visions and values. As evidenced throughout this report, the Trustees have had the ultimate oversight and responsibility to approve the strategic vision of the Trust, its long term academic and business plans, and to ensure that these meet the interests of all stakeholders.

### **Achievements and performance**

#### **Coronavirus**

The Impact of the Coronavirus pandemic has continued to have a significant impact on the operation of our schools during the year. Schools were open from the start of 20/21 academic year, albeit with significant impact on children's learning as individuals, classes and whole year groups were often sent home due to positive tests with the cohort. Furthermore, all schools were closed from January 21 to March 21. From that time the regime of isolation and 'bubble closure' continued to significantly impact for the remainder of the academic year.

All schools continued to provide online and paper based resources to support home learning. In addition, all schools maintained contact with children and families with at least a weekly call and for the most vulnerable a call every day or other day. During the course of the year the Trust was able to utilise the DfE laptops scheme to ensure all children had access to a device to support home learning, even though many were hampered by lack of connectivity in the home. The Trust was able to increase its expertise in delivering home learning and to make use of the growing resources available, for example The Oak Academy. Despite these efforts over a third of children failed to engage effectively in home learning and pupil premium children were disproportionately represented in this group.

Despite the efforts of staff to provide the infrastructure and support for online learning it is clear from the assessments taken on return to school that there has been a considerable decline in progress for the majority of pupils, and, most concurring the attainment gap for disadvantaged children has widened further.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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Staff have worked intensively to develop the curriculum so that it is appropriate, sequenced and connected. Primary schools have collaborated to develop a shared curriculum across a number of subject areas.

The Trust Board and its committees, including Local Governing Bodies has continued to meet throughout the last year, effectively using remote technology to ensure a continuance of business.

#### Key performance indicators

As a result of the pandemic national tests and exams were cancelled and there is therefore no published data for the 2020/21 school year and comparison with previous years is not possible due to the differences in assessment models at KS4.

Ofsted visits to schools were similarly cancelled from March 2020 onwards.

The current Ofsted grade of our schools is as follows:

Name	Ofsted grade	Inspection Date
The Heath, Halton	Good	2017
Bridgewater Park, Halton	Good	2016
Litherland High School, Sefton	Requires Improvement	2018
The Prescott School, Knowsley	Special Measures	2019
Palace Fields, Halton	Good	2019
Daresbury Primary, Halton	Outstanding	2008
Halsnead, Knowsley	Requires Improvement	2019
Litherland Moss, Sefton	Good	2017

Prescot School was subject to a HMI review in January 2021 and found that "Leaders and those responsible for governance are taking effective action to provide education in the current circumstances". A subsequent OFSTED inspection in October has resulted in the school being upgraded from Special Measures into the category of Requires Improvement.

The Trust continues to review the effectiveness of the central team to ensure that the limited resources are used to good effect in delivering the required functions of the Trust and in providing effective support to schools. Two Assistant Directors of Teaching and Learning and four-part time roles of Trust Leaders of Education took up post in September 2020 to provide school improvement support and accelerate the school improvement agenda. Key areas of activity for the year included:

- Supporting schools to address the impact of the pandemic, including developing catch up proposals
- A Trust-wide approach to Professional Development and Practice, particularly in relation to developing metacognitive processes
- A rigorous Quality Assurance Process
- Reducing the impact of disadvantage
- Improving outcomes for pupils with SEND

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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Other areas of focus for the central team included:

- Continuing to develop and implement a sustainable financial model
- Ensuring purposeful governance
- Providing consistent HR & staffing structures
- Developing supportive technology
- Ensuring buildings are fit for purpose
- Continuing to provide effective support for schools

#### Going concern

The Trust Board assesses whether the going concern status of the Trust is appropriate, ie. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue in operation as a going concern. The Trust Board makes this assessment for a period of at least one year from the date of authorisation for issue of the accounts.

The financial statements have been prepared on the going concern basis which assumes that the Trust will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued provision of adequate funding. The financial statements do not include any adjustments that would result if the funds were not made available.

As at 31 August 2017 the Trust Board recognised that the year end position placed the Trust at risk of not having adequate resources to maintain its operational existence without external intervention. Steps were taken to identify areas of weakness and instigate measures to mitigate this risk and the Trust agreed a Recovery Plan with the Education and Skills Funding Agency (ESFA) to ensure that the Trust is both financially efficient and effective. The Recovery Plan included repayable financial support from the ESFA of £1.42 million. Payments to the ESFA have been made during the course of the year in line with the plan and the final instalment was repaid on 1st April 2021. Furthermore, The Trust has now moved to an overall surplus position re its ordinary activities of £166,114 as at 31st August 2021. Robust long term financial plans which have been subject to the scrutiny of SRMA advisors, show a consistent growth in revenue reserves over the next 5 years. A revised reserves policy incorporating a central reserve, over and above school level reserves, has been adopted to further underpin the financial security of the Trust.

The Trust Board has a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the foreseeable future. The Trust Board has therefore adopted the going concern basis in preparing the annual accounts and return. Details regarding the adoption of the going concern basis can be found in the relevant accounting policies note.

#### **Financial review**

Summary position for the year ending 31st August 2021.

The Trust held fund balances at 31 August 2021 of £38,509,441 (2020: £40,604,550) comprising a restricted revenue funds surplus of £274,522 (2020: £668,121 deficit), unrestricted funds of £Nil (2020: £Nil), a pension deficit of £16,139,000 (2020: £12,921,000) and restricted fixed asset funds of £54,373,919 (2020: £54,193,671). The restricted revenue funds balance is comprised of two elements: £166,114 which is available for the ordinary activities of the Trust, and £108,408 which is a restricted fund to be used solely for the purpose of assisting pupils to catch up on missed learning.

Based on the audited financial statements, the Trust's total reserves reduced by an amount of £2,095,109 (2020: £16,074,103) during the year. This total movement on funds is shown in the Statement of Financial Activities.

Excluding movements on tangible fixed assets, the LGPS defined benefit pension liability, and other non-recurring items, the Trust's 'operational' surplus on revenue funds for the year was £1,031,985 (2020: £298,320).

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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#### Management Reporting and Review

Financial performance is monitored monthly against budget and established expenditure profiles, and is subject to the external scrutiny of the ESFA who require the Trust to submit monthly expenditure reports against an agreed Recovery Plan to ensure compliance with the Financial Notice to Improve (FNTI). Cashflow is also monitored by the ESFA on a monthly basis to ensure that the continued financial liquidity of the Trust is maintained.

Internally, monthly reports are produced and distributed to a range of recipients. Trustees receive a monthly digest which contains details of performance for each school, any risks and opportunities that have arisen or are likely to arise, and a cashflow to monitor the liquidity of the Trust. The CEO holds a monthly finance review at which MAT finance staff present the latest outturn and discuss financial performance. LGBs receive a monthly summary report via GovernorHub and this is supported by Trust finance staff attendance at LGB meetings where appropriate. Principals and school finance staff receive a detailed operational report underpinned by monthly review meetings.

During the year the Trust engaged collaboratively with a Schools Resource Management Advisor (SRMA) to ensure that financial efficiencies are maximised and that longer term plans are consistent with the strengthened financial resilience of the Trust.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Reserves policy

The purpose of the reserves policy is to ensure the stability of the Trust's operations, and to assist in the delivery of the Trust's strategic plan.

Its application should:

- assist in strategic planning by considering how new projects or activities will be funded;
- inform the budget process at both a school and at Trust level by considering whether reserves need to be used during the financial year or built up for future projects;
- enable investment decisions to be made at a Trust level, where necessary utilising reserves across the Trust; and
- inform the budget and risk management process by identifying any uncertainty in future income streams.

When considering an appropriate level of reserves, the Trust Board will consider:

- the risk of an unforeseen emergency or other unexpected need for funds;
- a fall or rise in sources of income;
- planned commitments, or designations, that cannot be met by future income alone, for example, plans for a major capital project;
- the need to fund potential deficits in a cash budget, for example, money may need to be spent before funding is received; and
- the full range of financial risks identified.

The Trust Board considers that it is prudent and sound financial practice to establish an adequate level of reserves for the following reasons:

- To build up a contingency for unforeseen events.
- To allow for delays in funding and allow the finances to cope with short term cash flow problems.
- To establish a provision to allow funding for lifecycle costs which will increase as the building, plant and equipment ages. The fund will also be required to refresh the ICT resources which have a relatively short lifespan.

The Trust has determined that an appropriate level of free reserves should be equal to 5% of GAG funding.

The free reserves will be held centrally at MAT level for the benefit of all schools within the Trust.

School budgets are set and agreed with the Principals to meet their curriculum requirements, to meet the needs of the Trust strategic plan, and to enable the Trust to hold sufficient reserves to meet this policy. The contribution amount and the rate at which the reserves are built will be considered during the budget setting process. This will be transferred from the schools via the retention and will be deducted from the schools' funds on a monthly basis.

The free reserves sit at Trust level. However, the Trust recognises that there will be circumstances where the rewards and responsibilities are designated to a specific school. In this situation it is the school's responsibility to fund the asset/project from its own budget. Each designated reserve should be held separately and contributions agreed annually first with Trust SLT and then approved by Trust Board. Such designated reserves will be held at school level, and should only be used for the purposes for which they were created.

At 31 August 2021 there was a surplus on restricted revenue funds of £274,522, a balance which is expected to grow further in the year to 31 August 2022 in line with the Recovery Plan.

The pension deficit noted above would generally result in an increase of employers' pension contributions over a period of years and hence have cash flow implications for the Trust. This presents a significant risk to the Trust and will be monitored closely.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Investment policy

The Trust Board through the Business, Finance and Audit Committee, has a duty to maximise income by the use of high-interest or deposit accounts and to keep to a minimum, funds held in non-interest bearing accounts. When considering an investment due regard will be taken to ensure it is ethical, compatible with the charitable status of the Trust, and of low risk. All investments will be considered within the framework of the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees.

Only those funds surplus to immediate cash requirements will be subject to investment and for a period of no more than three months and in risk free and accessible deposit accounts.

### Principal risks and uncertainties

The Trust maintains a robust approach to the identification and management of risk through both its executive and governance structures. The Trust Board maintains a risk register which is reviewed at each Board meeting. This includes specific risks allocated to committees.

### Financial and risk management objectives and policies

The majority of income is received from the Education and Skills Funding Agency in the form of GAG. The objective is to spend the GAG resources efficiently and to build up reserves through other activities.

### **Fundraising**

The fundraising activities of the Trust are undertaken using internal resources without the need to involve professional external fundraisers.

No fundraising complaints were received during the year.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

### Streamlined energy and carbon reporting

#### Energy consumption

Aggregate of energy consumption in the year	kWh
	3,894,814

#### Emissions of CO2 equivalent

##### Scope 1 - direct emissions

- Gas combustion	metric tonnes	metric tonnes
	398.17	
- Fuel consumed for owned transport	0.41	
		398.58

##### Scope 2 - indirect emissions

- Electricity purchased		402.39
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##### Scope 3 - other indirect emissions

- Fuel consumed for transport not owned by the academy trust		2.56
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Total gross emissions		803.53
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#### Intensity ratio

Tonnes CO2e per pupil		0.20
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#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

- The Trust has progressed its LED lighting replacement programme, concentrating in the financial year on Palacefields Primary and Litherland High School.
- There is a Renewable Heat Incentive in operation at 2 schools e.g. ground source heat pumps for The Prescott School.
- Decarbonisation plans are in the process of completion for the Primary estate, with anticipated introduction for 2021-22.
- Review of heating and lighting timeframes to minimise wastage and to increase the efficient use of energy across the schools.
- Embedding of TEAMS to reduce travel between schools and to third party sites.



# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Plans for future periods

It is expected that the FNTI will be lifted during 21/22 following the repayment of the ESFA advance and the meeting of all the requirements of the Notice. The Trust's internal view of its schools and performance indicate the growing strength of the Trust. It is possible, therefore, that the Trust may consider some judicious expansion in the coming years to provide greater support for our schools through the addition of schools that share our values and outlook and have good practice to share with us and who wish to learn from us and be part of a collaborative and developing group of schools.

The key priorities for the coming year are underpinned by the need to address the impact of COVID on our children and staff whilst ensuring their health and safety through the continuance of the pandemic, and continuing to develop the key priorities as contained in our strategic plan. The current plan comes to an end in 2022 and therefore the Trust will take steps to undertake a fundamental review of our overall strategy and direction.

### Auditor

In so far as the trustees are aware:

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

A resolution proposing that Mitchell Charlesworth LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2021 and signed on its behalf by:



T E Vitalis  
Vice Chair

# THE HEATH FAMILY (NORTH WEST)

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 The Heath Family (North West) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met six times during the year. Given the structure of sub-committees in place, the trustees are satisfied that the number of full board meetings is sufficient to discharge their responsibilities. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
C R Davis (Appointed 22 January 2021)	2	4
M J Davies	3	7
A J Duckworth	3	7
A S Gundersen (Appointed 22 January 2021)	4	4
J M Inglis (Appointed 22 January 2021)	4	4
D R Lancaster (Resigned 4 September 2020)	0	0
K Smith	6	7
M Stanton (Appointed 22 January 2021)	4	4
H C Stevenson (Chair)	6	7
A K Subramanayam (Resigned 17 December 2020)	0	2
T E Vitalis (Vice Chair)	5	7
K E Whittlesey	2	3
A S Williams (Appointed 22 January 2021)	4	4

The board has been through a period of transition, with new directors appointed during the last two years. The skills of those who have joined the board will be invaluable in improving the operations of the Trust.

The Business, Finance and Audit Committee has met throughout the year and has built up a timetable of key activities to be reported back to the board. A Standards Committee has also been formed to allow for greater challenge of the key function of the Trust, the provision of high quality education for the young people within our schools.

The Business, Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial performance of the Trust and to ensure compliance with the Financial Notice to Improve.

# THE HEATH FAMILY (NORTH WEST)

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
M J Davies	5	6
A J Duckworth	3	6
A S Gundersen (Appointed 22 January 2021)	3	3
J M Inglis (Appointed 22 January 2021)	3	3
A K Subramanayam (Resigned 17 December 2020)	0	1
T E Vitalis (Vice Chair)	6	6

#### Review of value for money

I accept that the Principals at individual schools have responsibility for ensuring that the academies deliver good value in the use of public resources. I understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year by:

- Implementing cost effective structures to maximise resources for schools.
- Financial governance and oversight.
- Cost effective purchasing.
- Reviewing controls and managing risks.
- Future objectives identified and incorporated in action plan to develop the above strategies.

Beever Struthers conduct a review of internal controls and processes at all of our schools and centrally within the Trust. The reports of these visits are received by the Trust Board and Local Governing Bodies as appropriate. The reviewer's reports comment on the operation of the systems of control and on the discharge of the financial responsibilities of each school's appropriate staff and Governing Bodies.

#### 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 charitable company 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 The Heath Family (North West) for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the charitable company 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 the charitable company's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

# THE HEATH FAMILY (NORTH WEST)

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **The risk and control framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Trust has engaged Beever Struthers to provide internal scrutiny. An outline 3 year plan has been agreed which will be reviewed annually to allow for emerging risks/control issues to be addressed. The plan consists of 3 scheduled visits each year, plus an annual review of the key financial controls which is undertaken prior to the external audit. All visits have been completed relating to the 2020-21 financial year. Any actions and recommendations arising from the reports are included in an action log which is reviewed at each Business Finance and Audit Committee.

### **Review of effectiveness**

As accounting officer, Mr D Donnelly has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by: -

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to address areas for improvement and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 16 December 2021 and signed on its behalf by:



Mr T E Vitalis FCCA  
**Vice Chair**

## THE HEATH FAMILY (NORTH WEST)

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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



Mr D Donnelly  
**Accounting Officer**

16 December 2021

# THE HEATH FAMILY (NORTH WEST)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2021

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The trustees (who are also the directors of The Heath Family (North West) for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 16 December 2021 and signed on its behalf by:



Mr T E Vitalis FCCA  
**Vice Chair**

# THE HEATH FAMILY (NORTH WEST)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEATH FAMILY (NORTH WEST)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Opinion

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

In our opinion the accounts:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# THE HEATH FAMILY (NORTH WEST)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEATH FAMILY (NORTH WEST) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

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

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.



# THE HEATH FAMILY (NORTH WEST)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEATH FAMILY (NORTH WEST) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the academy trust's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the board of governors of their own identification and assessment of the risks of irregularities;
- any matters identified having obtained and reviewed the academy trust's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the academy trust's Statement of Financial Activities, (ii) the academy trust's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academies Financial Handbook and Accounts Direction.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy trust's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

## THE HEATH FAMILY (NORTH WEST)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEATH FAMILY (NORTH WEST) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Audit response to risks identified**

As a result of performing the above, we identified the presentation of the academy trust's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

# THE HEATH FAMILY (NORTH WEST)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEATH FAMILY (NORTH WEST) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Use of our report

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

*Mitchell Charlesworth*

**Philip Griffiths (Senior Statutory Auditor)**  
**for and on behalf of Mitchell Charlesworth LLP**

22 December 2021

**Chartered Accountants**  
**Statutory Auditor**

3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
Merseyside  
L2 5RH

# THE HEATH FAMILY (NORTH WEST)

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HEATH FAMILY (NORTH WEST) AND THE EDUCATION AND SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2021**

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In accordance with the terms of our engagement letter dated 8 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Heath Family (North West) during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Heath Family (North West) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Heath Family (North West) 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 The Heath Family (North West) and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Heath Family (North West)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Heath Family (North West)'s funding agreement with the Secretary of State for Education dated 29 November 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

## THE HEATH FAMILY (NORTH WEST)

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HEATH FAMILY (NORTH WEST) AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Mitchell Charlesworth*

#### **Reporting Accountant**

Mitchell Charlesworth LLP

3rd Floor

5 Temple Square

Temple Street

Liverpool

Merseyside

L2 5RH

Dated: 22 December 2021

# THE HEATH FAMILY (NORTH WEST)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	General £	Restricted funds: Fixed asset £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	4,565	40,000	735,936	780,501	657,433
Charitable activities:						
- Funding for educational operations	4	13,790	25,008,877	-	25,022,667	25,744,952
Other trading activities	5	55,376	-	-	55,376	80,313
Investments	6	255	-	-	255	1,062
<b>Total</b>		<u>73,986</u>	<u>25,048,877</u>	<u>735,936</u>	<u>25,858,799</u>	<u>26,483,760</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	9	73,986	24,746,678	750,244	25,570,908	27,601,326
Charitable expenditure - transfer of existing academy out of the trust		-	-	-	-	15,179,537
<b>Total</b>	7	<u>73,986</u>	<u>24,746,678</u>	<u>750,244</u>	<u>25,570,908</u>	<u>42,780,863</u>
<b>Net income/(expenditure)</b>		-	302,199	(14,308)	287,891	(16,297,103)
Transfers between funds	18	-	(194,556)	194,556	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(2,383,000)	-	(2,383,000)	223,000
<b>Net movement in funds</b>		-	(2,275,357)	180,248	(2,095,109)	(16,074,103)
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(13,589,121)	54,193,671	40,604,550	56,678,653
Total funds carried forward		-	(15,864,478)	54,373,919	38,509,441	40,604,550

# THE HEATH FAMILY (NORTH WEST)

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2020		funds	General	Fixed asset	2020
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	1,165	40,750	615,518	657,433
Charitable activities:					
- Funding for educational operations	4	-	25,744,952	-	25,744,952
Other trading activities	5	6,970	73,343	-	80,313
Investments	6	1,062	-	-	1,062
<b>Total</b>		9,197	25,859,045	615,518	26,483,760
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	-	26,488,329	1,112,997	27,601,326
Charitable expenditure - transfer of existing academy out of the trust		-	(3,534,409)	18,713,946	15,179,537
<b>Total</b>	7	-	22,953,920	19,826,943	42,780,863
<b>Net income/(expenditure)</b>		9,197	2,905,125	(19,211,425)	(16,297,103)
Transfers between funds	18	(9,197)	9,197	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	223,000	-	223,000
<b>Net movement in funds</b>		-	3,137,322	(19,211,425)	(16,074,103)
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(16,726,443)	73,405,096	56,678,653
Total funds carried forward		-	(13,589,121)	54,193,671	40,604,550

# THE HEATH FAMILY (NORTH WEST)

## BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	13	53,178,510	53,052,954
<b>Current assets</b>			
Debtors	15	629,676	885,375
Cash at bank and in hand		2,291,768	2,383,276
		<u>2,921,444</u>	<u>3,268,651</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(1,451,513)	(2,796,055)
<b>Net current assets</b>		<u>1,469,931</u>	<u>472,596</u>
<b>Net assets excluding pension liability</b>		<u>54,648,441</u>	<u>53,525,550</u>
Defined benefit pension scheme liability	20	(16,139,000)	(12,921,000)
<b>Total net assets</b>		<u>38,509,441</u>	<u>40,604,550</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	18		
- Fixed asset funds		54,373,919	54,193,671
- Restricted income funds		274,522	(668,121)
- Pension reserve		(16,139,000)	(12,921,000)
<b>Total restricted funds</b>		<u>38,509,441</u>	<u>40,604,550</u>
<b>Unrestricted income funds</b>	18	-	-
<b>Total funds</b>		<u>38,509,441</u>	<u>40,604,550</u>

The accounts on pages 28 to 53 were approved by the trustees and authorised for issue on 16 December 2021 and are signed on their behalf by:

*E Vitalis*

T E Vitalis  
Vice Chair

Company Number 07614421



# THE HEATH FAMILY (NORTH WEST)

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		48,101		430,172
Cash funds transferred on conversion			-		(24,094)
			<u>48,101</u>		<u>406,078</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		255		1,062	
Capital grants from DfE Group		735,936		615,518	
Purchase of tangible fixed assets		(875,800)		(439,321)	
		<u></u>		<u></u>	
<b>Net cash (used in)/provided by investing activities</b>			(139,609)		177,259
			<u></u>		<u></u>
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(91,508)		583,337
Cash and cash equivalents at beginning of the year			2,383,276		1,799,939
			<u></u>		<u></u>
<b>Cash and cash equivalents at end of the year</b>			<u>2,291,768</u>		<u>2,383,276</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

The Heath Family (North West) is a charitable company incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Heath Family (North West) meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is also the functional currency of the multi academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts.

The financial statements have been prepared on the going concern basis which assumes that the Trust will continue in operation for the foreseeable future. The validity of this assumption depends on the continued provision of adequate funding. The financial statements do not include any adjustments that would result if the funds were not made available.

As at 31 August 2017 the Trust Board recognised that the year end position placed the Trust at risk of not having adequate resources to maintain its operational existence without external intervention. Steps were taken to identify areas of weakness and instigate measures to mitigate this risk and the Trust agreed a Recovery Plan with the Education and Skills Funding Agency (ESFA) to ensure that the Trust is both financially efficient and effective. The Recovery plan included repayable financial support from the ESFA of £1.42 million. Payments to the ESFA have been made during the course of the year in line with the plan and the final instalment was repaid on 1 April 2021. Furthermore, The Trust has now moved to an overall surplus position re its ordinary activities of £166,114 excluding Covid catch-up income as at 31 August 2021. Robust long term financial plans which have been subject to the scrutiny of SRMA advisors, show a consistent growth in revenue reserves over the next 5 years. A revised reserves policy incorporating a central reserve, over and above school level reserves, has been adopted to further underpin the financial security of the Trust.

The trustees therefore, have a reasonable expectation that the Trust will have adequate resources to continue in operation for the foreseeable future and have therefore adopted the going concern basis in the preparation of these financial statements. The trustees have given due regard to the impact of COVID-19 in making this assessment.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Conversion to an academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

#### 1.4 Income

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

##### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

##### Sponsorship income

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

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

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

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### Donated fixed assets

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

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### 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.

### 1.6 Tangible fixed assets and depreciation

The long leasehold property of the academy trust is being depreciated over the lease term of 125 years.

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	Over the duration of the lease / 20% on cost / 10% on cost
Computer equipment	33% on cost / 20% on cost
Fixtures, fittings & equipment	20% on cost / 10% on cost
Motor vehicles	25% on cost

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

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

#### 1.7 Liabilities

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

#### 1.8 Leased assets

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

#### 1.9 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **1 Accounting policies**

**(Continued)**

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

#### **1.12 Fund accounting**

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

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

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

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

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	735,936	735,936	615,518
Other donations	4,565	40,000	44,565	41,915
	<u>4,565</u>	<u>775,936</u>	<u>780,501</u>	<u>657,433</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	20,496,062	20,496,062	21,322,829
UIFSM	-	99,606	99,606	119,153
Pupil Premium	-	1,615,439	1,615,439	1,848,514
Other DfE group grants	-	1,213,454	1,213,454	1,545,274
	<u>-</u>	<u>23,424,561</u>	<u>23,424,561</u>	<u>24,835,770</u>
<b>Other government grants</b>				
Local authority grants	-	778,823	778,823	564,362
	<u>-</u>	<u>778,823</u>	<u>778,823</u>	<u>564,362</u>
<b>Covid-19 additional funding (DfE/ ESFA)</b>				
Catch-up premium	-	258,065	258,065	-
Other DfE/ ESFA Covid-19 funding	-	131,488	131,488	26,828
	<u>-</u>	<u>389,553</u>	<u>389,553</u>	<u>26,828</u>
<b>Other funding</b>				
Other incoming resources	13,790	415,940	429,730	317,992
	<u>13,790</u>	<u>415,940</u>	<u>429,730</u>	<u>317,992</u>
<b>Total funding</b>	<u>13,790</u>	<u>25,008,877</u>	<u>25,022,667</u>	<u>25,744,952</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	24,865	-	24,865	6,970
Catering income	30,511	-	30,511	73,343
	<u>55,376</u>	<u>-</u>	<u>55,376</u>	<u>80,313</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	255	-	255	1,062
	<u>255</u>	<u>-</u>	<u>255</u>	<u>1,062</u>

### 7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	15,466,309	-	1,314,040	16,780,349	18,009,300
- Allocated support costs	3,464,885	3,284,980	2,040,694	8,790,559	9,592,026
	<u>18,931,194</u>	<u>3,284,980</u>	<u>3,354,734</u>	<u>25,570,908</u>	<u>27,601,326</u>

#### Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	15,000	14,250
- Other services	1,850	1,750
Depreciation of tangible fixed assets	744,094	1,112,997
Loss on disposal of fixed assets	6,150	-
Net interest on defined benefit pension liability	228,000	218,000
	<u>795,094</u>	<u>1,346,997</u>

### 8 Central services

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

- financial services
- educational support



# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 8 Central services

(Continued)

The academy trust charges for these services at a flat rate, being 8.5% of the GAG income (excluding PFI funding) received by each academy.

The amounts charged during the year were as follows:

	2021 £	2020 £
Litherland Moss	83,000	32,000
The Heath Academy	537,000	199,000
Bridgewater Park Academy	53,000	19,000
Sir William Stanier Academy (no longer held)	-	77,000
Litherland Academy	288,000	112,000
The Prescott School	405,000	151,000
Palace Fields Primary	73,000	31,000
Daresbury Primary	56,000	20,000
Halsnead Primary	115,000	50,000
	<u>1,610,000</u>	<u>691,000</u>

#### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	73,986	16,706,363	16,780,349	18,009,300
<b>Support costs</b>				
Educational operations	-	8,790,559	8,790,559	9,592,026
	<u>73,986</u>	<u>25,496,922</u>	<u>25,570,908</u>	<u>27,601,326</u>

	2021 £	2020 £
<b>Analysis of support costs</b>		
Support staff costs	3,464,885	4,187,544
Depreciation	750,244	1,112,997
Technology costs	332,737	294,464
Premises costs	2,534,736	2,490,180
Legal costs	64,457	105,791
Other support costs	1,601,654	1,373,624
Governance costs	41,846	27,426
	<u>8,790,559</u>	<u>9,592,026</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	13,488,641	14,584,040
Social security costs	1,293,902	1,336,544
Pension costs	3,759,799	3,910,421
Staff costs - employees	18,542,342	19,831,005
Agency staff costs	385,904	519,336
Staff restructuring costs	2,948	17,764
	18,931,194	20,368,105
Staff development and other staff costs	43,363	63,872
Total staff expenditure	18,974,557	20,431,977
Staff restructuring costs comprise:		
Redundancy payments	2,948	17,764

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	283	304
Administration and support	156	180
Management	36	40
	475	524

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

(Continued)

#### Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	12	9
£70,001 - £80,000	2	3
£80,001 - £90,000	4	2
£90,001 - £100,000	1	2
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
	<u>21</u>	<u>18</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £417,702 (2020: £392,869).

### 11 Trustees' remuneration and expenses

No trustees were paid remuneration or received other benefits from an employment with the academy trust.

#### Trustees' expenses

The trustees were paid expenses totalling £Nil (2020: £473) for the reimbursement of vehicle fuel costs.

### 12 Trustees' and officers' insurance

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

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2020 (as restated)	55,124,698	2,047,813	763,285	66,910	58,002,706
Additions	658,180	165,050	52,570	-	875,800
Disposals	-	-	(6,150)	-	(6,150)
At 31 August 2021	55,782,878	2,212,863	809,705	66,910	58,872,356
<b>Depreciation</b>					
At 1 September 2020 (as restated)	2,412,263	1,824,215	646,364	66,910	4,949,752
Charge for the year	564,858	104,383	74,853	-	744,094
At 31 August 2021	2,977,121	1,928,598	721,217	66,910	5,693,846
<b>Net book value</b>					
At 31 August 2021	52,805,757	284,265	88,488	-	53,178,510
At 31 August 2020	52,739,065	188,589	125,300	-	53,052,954

### 15 Debtors

	2021 £	2020 £
Trade debtors	7,246	13,540
VAT recoverable	128,014	306,025
Other debtors	28,828	40,158
Prepayments and accrued income	465,588	525,652
	629,676	885,375

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Trade creditors	676,471	970,274
Other taxation and social security	83,104	78,773
Other creditors	201,111	1,321,439
Accruals and deferred income	490,827	425,569
	<hr/>	<hr/>
	1,451,513	2,796,055
	<hr/>	<hr/>

Included in other creditors in the previous year was £820,000 of an original loan of £1,420,000 received from the Education and Skills Funding Agency under the terms of the Trust's Recovery Plan. This balance was repaid in full in April 2021.

#### 17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	63,261	65,150
	<hr/>	<hr/>
Deferred income at 1 September 2020	65,150	30,080
Released from previous years	(65,150)	(30,080)
Resources deferred in the year	63,261	65,150
	<hr/>	<hr/>
<b>Deferred income at 31 August 2021</b>	<b>63,261</b>	<b>65,150</b>
	<hr/>	<hr/>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(681,155)	20,595,668	(19,565,069)	(194,556)	154,888
UIFSM	-	99,606	(99,606)	-	-
Other DfE / ESFA grants	-	1,087,020	(1,087,020)	-	-
Other government grants	-	735,893	(735,893)	-	-
Other DfE / ESFA Covid-19 funding	-	131,488	(131,488)	-	-
Pupil Premium	-	1,615,439	(1,615,439)	-	-
Covid 19 catch-up premium	-	258,065	(149,657)	-	108,408
Other restricted funds	13,034	525,698	(527,506)	-	11,226
Pension reserve	(12,921,000)	-	(835,000)	(2,383,000)	(16,139,000)
	<u>(13,589,121)</u>	<u>25,048,877</u>	<u>(24,746,678)</u>	<u>(2,577,556)</u>	<u>(15,864,478)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	52,107,656	-	(517,519)	-	51,590,137
DfE group capital grants	2,086,015	735,936	(232,725)	-	2,589,226
Capital expenditure from GAG	-	-	-	194,556	194,556
	<u>54,193,671</u>	<u>735,936</u>	<u>(750,244)</u>	<u>194,556</u>	<u>54,373,919</u>
<b>Total restricted funds</b>	<u>40,604,550</u>	<u>25,784,813</u>	<u>(25,496,922)</u>	<u>(2,383,000)</u>	<u>38,509,441</u>
<b>Unrestricted funds</b>					
General funds	-	73,986	(73,986)	-	-
<b>Total funds</b>	<u>40,604,550</u>	<u>25,858,799</u>	<u>(25,570,908)</u>	<u>(2,383,000)</u>	<u>38,509,441</u>

General Annual Grant includes the Pupil Premium and must be used for the normal running costs of the schools within the trust.

Other DfE Group Grants - these have been received for specific purposes throughout the year and include looked after children (LAC) income, all of which was fully spent in the year.

Local Authority Grants consist of various support grants received. All of this income has been spent.

The Pension Reserve represents the pension fund determined in accordance with FRS102 as detailed in note 20.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(975,169)	21,561,135	(21,276,318)	9,197	(681,155)
Other DfE / ESFA grants	-	1,177,221	(1,177,221)	-	-
Other government grants	-	564,362	(564,362)	-	-
Pupil Premium	-	1,848,514	(1,848,514)	-	-
Other restricted funds	8,726	707,813	(703,505)	-	13,034
Pension reserve	(15,760,000)	-	2,616,000	223,000	(12,921,000)
	<u>(16,726,443)</u>	<u>25,859,045</u>	<u>(22,953,920)</u>	<u>232,197</u>	<u>(13,589,121)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	71,467,263	-	(19,359,607)	-	52,107,656
DfE group capital grants	1,937,833	615,518	(467,336)	-	2,086,015
	<u>73,405,096</u>	<u>615,518</u>	<u>(19,826,943)</u>	<u>-</u>	<u>54,193,671</u>
<b>Total restricted funds</b>	<u>56,678,653</u>	<u>26,474,563</u>	<u>(42,780,863)</u>	<u>232,197</u>	<u>40,604,550</u>
<b>Unrestricted funds</b>					
General funds	-	9,197	-	(9,197)	-
<b>Total funds</b>	<u>56,678,653</u>	<u>26,483,760</u>	<u>(42,780,863)</u>	<u>223,000</u>	<u>40,604,550</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Funds

(Continued)

##### Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Litherland Moss	85,954	118,291
The Heath Academy	93,917	(171,644)
Bridgewater Park Academy	130,057	93,690
Sir William Stanier Academy (no longer held)	-	(977,692)
Litherland Academy	(754,946)	(650,712)
The Prescott School	417,270	326,305
Palace Fields Primary	349,926	346,459
Daresbury Primary	(81,665)	(74,821)
Halsnead Primary	286,175	269,707
Central services	(252,166)	52,296
Total before fixed assets fund and pension reserve	274,522	(668,121)
Restricted fixed asset fund	54,373,919	54,193,671
Pension reserve	(16,139,000)	(12,921,000)
Total funds	38,509,441	40,604,550

##### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Litherland Moss	931,489	142,376	53,332	272,625	1,399,822	1,322,895
The Heath Academy	5,312,839	522,538	453,065	721,466	7,009,908	6,664,571
Bridgewater Park Academy	470,280	88,319	65,480	119,564	743,643	736,180
Sir William Stanier Academy (no longer held)	-	-	-	-	-	2,976,848
Litherland Academy	2,769,243	371,736	146,012	801,556	4,088,547	4,123,205
The Prescott School	3,528,084	788,453	360,083	2,052,872	6,729,492	6,052,794
Palace Fields Primary	786,520	108,903	70,483	148,492	1,114,398	1,031,147
Daresbury Primary	585,028	58,994	32,910	106,388	783,320	716,357
Halsnead Primary	1,225,004	143,469	99,490	370,611	1,838,574	1,848,198
Central services	-	844,697	25,311	242,952	1,112,960	1,016,134
	15,608,487	3,069,485	1,306,166	4,836,526	24,820,664	26,488,329



# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Funds

(Continued)

The Trust has taken steps to identify areas of weakness and has agreed a recovery plan with the Education and Skills Funding Agency (ESFA) to ensure that the Trust is both financially efficient and effective in order to return the funds to surplus.

#### 19 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	53,178,510	53,178,510
Current assets	-	1,726,035	1,195,409	2,921,444
Creditors falling due within one year	-	(1,451,513)	-	(1,451,513)
Defined benefit pension liability	-	(16,139,000)	-	(16,139,000)
<b>Total net assets</b>	-	(15,864,478)	54,373,919	38,509,441

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	53,052,954	53,052,954
Current assets	-	2,127,934	1,140,717	3,268,651
Creditors falling due within one year	-	(2,796,055)	-	(2,796,055)
Defined benefit pension liability	-	(12,921,000)	-	(12,921,000)
<b>Total net assets</b>	-	(13,589,121)	54,193,671	40,604,550

#### 20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £83,784 (2020: £121,006) were payable to the schemes at 31 August 2021 and are included within creditors.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 20 Pension and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles.

A copy of the latest valuation report can be found by following the link to [the Teachers' Pension Scheme website](#).

The employer's pension costs paid to the TPS in the period amounted to £2,133,000 (2020: £2,306,000).

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.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Pension and similar obligations

(Continued)

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

#### Local Government Pension Scheme

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

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

Total contributions made	2021 £	2020 £
Employer's contributions	977,000	936,000
Employees' contributions	239,000	224,000
Total contributions	1,216,000	1,160,000
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.9	3.4
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.8	2.3

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Pension and similar obligations

(Continued)

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

	2021 Years	2020 Years
Retiring today		
- Males	21.20	21.05
- Females	24.05	23.80
Retiring in 20 years		
- Males	22.50	22.20
- Females	25.85	25.45

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate + 0.1%	-94	-204
Discount rate - 0.1%	95	205
Mortality assumption + 1 year	148	68
Mortality assumption - 1 year	-146	-67
CPI rate + 0.1%	89	181
CPI rate - 0.1%	-88	-181

#### The academy trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	8,148,940	6,397,000
Corporate bonds	5,136,380	4,312,000
Gifts	92,000	124,000
Cash and other liquid assets	366,460	622,000
Other assets	3,199,220	2,355,000
Total market value of assets	16,943,000	13,810,000

The actual return on scheme assets was £2,167,000 (2020: £1,373,000).

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2021	2020
	£	£
Current service cost	1,584,000	1,536,000
Past service cost	-	68,000
Interest income	(248,000)	(223,000)
Interest cost	476,000	441,000
Total operating charge	1,812,000	1,822,000
Changes in the present value of defined benefit obligations	2021	2020
	£	£
At 1 September 2020	26,731,000	30,754,000
Current service cost	1,574,000	1,526,000
Interest cost	476,000	441,000
Employee contributions	239,000	224,000
Actuarial loss	4,302,000	927,000
Benefits paid	(240,000)	(184,000)
Transferred out on existing academies leaving the trust	-	(7,025,000)
Past service cost	-	68,000
At 31 August 2021	33,082,000	26,731,000
Changes in the fair value of the academy trust's share of scheme assets	2021	2020
	£	£
At 1 September 2020	13,810,000	14,994,000
Interest income	248,000	223,000
Actuarial gain	1,919,000	1,150,000
Employer contributions	977,000	936,000
Employee contributions	239,000	224,000
Benefits paid	(240,000)	(184,000)
Transferred out on existing academies leaving the academy trust	(10,000)	(3,533,000)
At 31 August 2021	16,943,000	13,810,000

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	287,891	(16,297,103)
Adjusted for:		
Net deficit on transfer of academy out of the trust	-	15,179,537
Capital grants from DfE and other capital income	(735,936)	(615,518)
Investment income receivable	(255)	(1,062)
Defined benefit pension costs less contributions payable	607,000	668,000
Defined benefit pension scheme finance cost	228,000	218,000
Depreciation of tangible fixed assets	744,094	1,112,997
Loss on disposal of fixed assets	6,150	-
Decrease in debtors	255,700	248,506
(Decrease) in creditors	(1,344,543)	(139,687)
Stocks, debtors and creditors transferred on conversion	-	56,502
<b>Net cash provided by operating activities</b>	<b>48,101</b>	<b>430,172</b>

#### 22 Analysis of changes in net funds

	1 September 2020 £	Cash flows 31 August 2021 £	£
Cash	2,383,276	(91,508)	2,291,768

#### 23 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	1,294,804	1,290,702
Amounts due in two and five years	5,011,461	4,992,604
Amounts due after five years	9,964,149	11,191,667
	<b>16,270,414</b>	<b>17,474,973</b>

The leasing commitments include the unitary charges payable under the PFI contract at The Prescot School.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

### 24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The MAT purchased services from Satis Education Limited for £9,900 during the year (2020: £217). A Trustee of the MAT, Helen Stevenson, also serves as a director of Satis Education Limited.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

### 25 Members' liability

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

### 26 Teaching school trading account

	2021		2020	
	£	£	£	£
<b>Other income</b>				
Voluntary income		40,000		40,750
<b>Direct costs</b>				
Direct staff costs	41,488		35,372	
Other direct costs	-		750	
Educational supplies and services	120		120	
	<u>41,608</u>		<u>36,242</u>	
<b>Other costs</b>				
Share of governance costs	200		200	
	<u>200</u>		<u>200</u>	
<b>Total expenditure</b>		(41,808)		(36,442)
<b>(Deficit)/surplus from all sources</b>		(1,808)		4,308
Teaching school balances at 1 September 2020		13,034		8,726
<b>Teaching school balances at 31 August 2021</b>		<u>11,226</u>		<u>13,034</u>