



# THE HEATH FAMILY (NORTH WEST)

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(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Company Registration No. 07614421 (England and Wales)

# 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 Duckworth (Appointed 15 December 2022)  
S Yeoman

### Trustees

C R Davis  
A J Duckworth (Resigned 7 November 2022)  
A S Gundersen  
J M Inglis  
C T Kelly (Appointed 24 February 2023)  
K Smith  
H C Stevenson (Chair)  
T E Vitalis (Vice Chair) (Resigned 14 July 2023)  
A S Williams

### Senior management team

D Donnelly - Chief Executive Officer  
N Gilmore - Chief Financial Officer  
P Jones - Director of Quality & Standards (Appointed 1 September 2023)  
S Black - Director of Teaching & Learning  
C Parkinson - Director of Operations  
P Evans - Director of HR

### 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

Academies operated	Principal	Location	Joining Date
Bridgewater Park Academy	S Greer (Exec Principal)	Halton, Cheshire	01-Mar-14
Daresbury Primary	P Holloway (Exec Principal)	Halton, Cheshire	01-Nov-16
Halsnead Primary	S Greer (Exec Principal)	Knowsley, Merseyside	01-Jun-17
Litherland High Academy	D Yates	Sefton, Merseyside	01-Mar-15
Litherland Moss Primary	S Greer (Exec Principal)	Sefton, Merseyside	01-Sep-16
Palace Fields Primary	P Holloway (Exec Principal)	Halton, Cheshire	01-Sep-16
The Heath School	J Jardine (Exec Principal)	Halton, Cheshire	01-Jun-11
The Prescott School	J Jardine (Exec Principal)	Knowsley, Merseyside	01-Aug-16

# THE HEATH FAMILY (NORTH WEST)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Independent auditor**

Mitchell Charlesworth (Audit) Limited  
3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
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 2023

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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 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic 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 3,776 in the school census on 1 October 2022.

#### 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 13 June 2022 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 trustees

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 trustees.

##### Co-opted trustees

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

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

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

New trustees/governors are, upon appointment, issued with a welcome pack and inducted by the Chair of Trustees/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 2023

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#### Organisational structure

The Heath Family (North West) management structure has three tiers: the Members, Trustees and the Senior Management Team (SMT). The members provide oversight of the governance arrangements for the Trust. The trustees who form the decision-making Board are ultimately responsible for the organisations strategic direction and policy. Trustee oversight is exercised through business planning, approval of the annual budget setting cycle, performance appraisal and quality assurance processes. To carry out their work, the Board have established two sub-committees: Education & Standards Committee and Business, Finance & Audit Committee.

The SMT is led by the Chief Executive Officer who is also Accounting Officer for the Trust. The remaining executive team is made up of a Chief Financial Officer, Director of Teaching and Learning, Director of Quality and Standards, Director of Operations and Director of HR. The SMT control the day-to-day running of the Trust at an executive level. They implement the policies laid down by Trustees and report back to them via the formal Board meetings and through the work of the Sub Committees. The SMT is responsible for maintaining the scheme of delegation and authorising expenditure within agreed budgets. Budgets are agreed at school level with Executive Principals and Heads of School, and performance against them is reported on regularly.

The central finance team prepare, distribute and discuss monthly school level management accounts. The Trust consolidated management accounts are prepared monthly and shared with the Business, Finance & Audit Committee.

To ensure a successfully operated Trust, It is essential that the Board recruit and retain the best talent, and a team that have significant skills and experience in their given fields. The Board ensures that pay and remuneration is proportionate to the role the individual plays in promoting the long-term success and sustainability 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.

#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	8
Full-time equivalent employee number	7.80

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

Percentage of time	Number of employees
0%	-
1%-50%	8
51%-99%	-
100%	-

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

Total cost of facility time	15,533
Total pay bill	20,209,110
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	22%
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# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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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.

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 carries out its purchasing and procurement activity with equity and impartiality, whilst maintaining best value for the Trust. The Trust is mindful to procure services from local businesses where possible to support the local economy and help reduce its carbon footprint.

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 aims to ensure that small local businesses are not impacted by late payment.

The majority of the Trust's customers are either parents or members of the local community. They can access, where available, sporting and drama facilities, wraparound and nursery care, with Trust schools offering competitive rates for these services.

#### **Objectives and activities**

##### **Objects and aims**

The organisation is made up of eight schools, over eighty Trustees and Local Governors, over 450 staff and 3,750 children. The Trust is working together to maximise attainment and nurture confident, resilient and compassionate individuals.

The Heath School converted to academy status in 2011 and became a Multi Academy Trust in 2013. Since then, a further seven schools joined the Trust. The Trust now consists of eight schools spread across Halton, Sefton and Knowsley local authority areas. Many of our schools have rates of deprivation double or even treble the national levels, whilst one is substantially below.

The Trust is a not-for-profit charity that maintains its schools and is in receipt of public finance to do so. Work is overseen by a Board of Directors who act on a voluntary basis to shape the strategic direction of the Trust and to hold the executive team to account. Schools in the Trust are subject to accountability systems through Ofsted and nationally published performance measures. The Trust is accountable to the Secretary of State for Education through the Regional Director's Office, who works closely with it to review performance. Each of our schools also has a Local Governing Body who call the school leadership to account and ensure the needs of children are met.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Objectives, strategies and activities

##### What do we do?

We lead schools in the North West to maximise attainment and nurture confident, resilient and compassionate individuals.

##### Why do we exist?

To empower our children to overcome barriers, be able to compete with the best, and shape the future.

##### How do we behave?

With **kindness**: we look out for each other.

With **integrity**: we do the right thing.

With **tenacity**: we do what it takes.

##### How will we succeed?

Through clarity, collaboration, accountability, and academic rigour

The Trust's immediate purpose set out in its strategic goals are:

- For all schools to be at least good in all aspects
- For all pupils to be making good progress and for all groups to be attaining at least in line with national standards
- For more pupils, parents and staff to agree that we are becoming increasingly successful in empowering our children to overcome barriers, be able to compete with the best, and shape the future

#### Public benefit

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

## Strategic report

### Achievements and performance

The Trust has had seven Ofsted visits during the year, including five full inspections and two monitoring visits. Whilst all schools are not yet good, every inspection has recognised the significant progress being made. The Trust is confident that all schools can achieve a rating of good by the end of the 2023/24 academic year.

The current Ofsted grade of schools is as follows:

	Current Ofsted Grading		Date of Inspection	Previous Ofsted Grading		Date of Previous Inspection
<i>Bridgewater Park Academy</i>	Requires Improvement		May-23	Good		Nov-21
<i>Daresbury Primary</i>	Good		Apr-23	Outstanding		Sep-08
<i>Halsnead Primary</i>	Good		Jul-23	Requires Improvement		Oct-19
<i>Litherland High Academy</i>	Requires Improvement		Jan-22	Requires Improvement		Feb-18
<i>Litherland Moss Primary</i>	Good		Jan-23	Good		Feb-17
<i>Palace Fields Primary</i>	Good		Apr-19	Requires Improvement		Nov-15
<i>The Heath School</i>	Requires Improvement		Nov-22	Good		Sep-17
<i>The Prescott School</i>	Requires Improvement		Oct-21	Inadequate		Mar-19



## THE HEATH FAMILY (NORTH WEST)

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2023

The Trust has significant improvements in Primary attainment in 2023, closing the gap to national from 2019.

Primary	Trust				National			
	2019	2022	2023	change	2019	2022	2023	change
Y6 RWM Expected Standard	54%	53%	59%	6%	65%	59%	59%	0%
Y6 RWM Higher	3%	4%	6%	2%	11%	7%	8%	1%
Y2 RWM Expected Standard	51%	51%	45%	-6%	73%	64%	66%	2%
Y2 RWM Higher	5%	7%	4%	-3%	21%	14%	14%	1%

	Bridgewater Park Academy				Daresbury Primary			
	2019	2022	2023	change	2019	2022	2023	change
Y6 RWM Expected Standard	50%	11%	45%	34%	67%	67%	68%	1%
Y6 RWM Higher	0%	0%	0%	0%	5%	5%	10%	5%
Y2 RWM Expected Standard	56%	47%	40%	-7%	75%	73%	43%	-30%
Y2 RWM Higher	0%	0%	7%	7%	20%	20%	7%	-13%

	Halsnead Primary				Litherland Moss Primary				Palace Fields Primary			
	2019	2022	2023	change	2019	2022	2023	change	2019	2022	2023	change
Y6 RWM Expected Standard	40%	49%	60%	11%	83%	68%	60%	-8%	38%	65%	52%	-13%
Y6 RWM Higher	0%	6%	2%	-4%	4%	0%	7%	7%	7%	6%	4%	-2%
Y2 RWM Expected Standard	32%	50%	51%	1%	52%	33%	42%	9%	64%	48%	44%	-4%
Y2 RWM Higher	0%	0%	0%	0%	7%	3%	8%	5%	4%	10%	0%	-10%

The Trust has seen significant improvements in Progress 8, particularly at Litherland High. Prescott remains a priority for improvement and has been impacted by some legacy pupils enrolled in alternative provision and those in the severely absent category.

There has also been improvement and significant increases in Secondary Basics 4+ and 5+ attainment from 2019.

Secondary	Trust			Litherland High Academy			The Heath School			The Prescott School		
	2019	2022	2023	2019	2022	2023	2019	2022	2023	2019	2022	2023
Progress 8	-0.42	-0.54	-0.39	-0.64	-0.62	-0.33	-0.06	-0.11	-0.09	-0.61	-1.03	-0.9
Attainment 8	40.1	42.2	47	39.7	42.7	41.5	48.3	47.5	46	34.3	35.4	32.7
% Basics 4+	45%	53%	55%	45%	51%	52%	66%	62%	68%	34%	42%	38%
% Basics 5+	27%	33%	33%	29%	30%	32%	43%	44%	44%	18%	23%	19%

## THE HEATH FAMILY (NORTH WEST)

### TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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#### Attendance

The Trust has made progress over the year in terms of attendance, with a 0.8% improvement from 2021/22. While this is encouraging, the Trust recognises further work is needed and has established an executive led Attendance Network across all eight schools. The Network will develop a trust wide strategy, using examples of national best practice to remove barriers to attendance. It also has a specific remit on improving attendance in relation to SEND and disadvantaged pupils.

	Overall attendance %		
	2022/23	2021/22	Change
<i>Bridgewater Park Academy</i>	89.6	92.4	-2.9
<i>Daresbury Primary</i>	96.0	94.4	1.6
<i>Halshead Primary</i>	92.9	91.8	1.0
<i>Litherland High Academy</i>	89.1	89.5	-0.4
<i>Litherland Moss Primary</i>	92.7	93.0	-0.4
<i>Palace Fields Primary</i>	93.8	92.6	1.2
<i>The Heath School</i>	91.8	90.5	1.3
<i>The Prescot School</i>	87.6	85.5	2.1
<i>Total Trust</i>	90.4	89.7	0.8
<i>National</i>	92.5	92.4	0.1
<i>Difference to National</i>	-2.1	-2.7	0.7

#### Key Achievements

The Trust is proud to serve communities of high deprivation and has actively sought to improve schools facing challenging circumstances. Seven out of eight schools are judged as good for behaviour and attitudes and personal development and welfare. Of our three secondaries, two out of three have seen significant improvements:

- Litherland has moved from RI in all areas (from a previous inadequate judgment), to RI with good behaviour and attitudes and personal development and is on track to be good in all areas in its 23-24 inspection.
- Prescot has improved from an inadequate position in April 2019, to an RI judgement in all areas, despite the impact of the pandemic, which we know had a more detrimental impact to pupils in high deprivation. (Prescot Pupil Premium cohort is 55%, significantly above National Average). Ofsted noted that Prescot has improved significantly in a number of key areas, and as a Trust we are focused on securing a good judgement at the next inspection.
- Although The Heath's 2022 inspection judgement of RI was disappointing, it has seen improvement in outcomes, attendance and suspensions from the previous year and in line with national averages in 22-23 and the Trust is confident it will secure good in the next inspection.

Four of our five primary schools are rated Good. In Bridgewater Park, the RI primary school, there has been a significant improvement in attainment in 22-23, (improved by 32% in RWM combined). Attainment in Reading and Writing has also improved to in line with national in 2023.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Going concern

The Trust concluded 2022/23 in a reasonably strong financial position, meeting targeted reserves and outperforming its surplus position. It has a fully funded expenditure plan set out for 2023/24 that considers all known inflationary pressures. The Trust Board are confident that through a continued focus on financial efficiency and cost control, the Trust will deliver its planned £248k surplus set out in its operating plans.

Looking forward to 2024/25 onwards, the Trust have developed a detailed financial plan based on projected pupil numbers, inflationary pressures and known changes to run rate. The financial results delivered with this plan demonstrate the future sustainability of the Trust and allow headroom for any unforeseen future adverse events. The Trust has underpinned this planning with sensitivity analysis to model the impact of different risks and structural changes to the Trust and the subsequent actions required to bring the organisation back into financial balance.

In light of the uncertainty presented by the current economic climate, the Trustees have carefully considered the financial projections to August 2024 to satisfy themselves of the financial resilience of the organisation. The Trustees have considered ongoing recurrent funding from Education Skills Funding Agency (ESFA) and Local Authority partners, together with the level of funds held, the expected level of income, expenditure and projected cash flows over this period. The Trustees have considered these matters and have concluded that the level of reserves and liquidity for the Trust are sufficient to enable the organisation to continue trading for a period of at least 12 months from the date of approving the financial statements. The Trustees do not believe there is a material uncertainty in regards of going concern, therefore the financial statements have been prepared on a going concern basis.

#### **Financial review**

From 2016/17 the Trust experienced a period of financial difficulty and required external intervention to manage cashflow in the short term. Steps were taken to mitigate this risk and the Trust agreed a Recovery Plan with the Education and Skills Funding Agency (ESFA) that included repayable financial support of £1.42 million. This led to the issuing of a Financial Notice to Improve (FNTI) to the Trust. After changes to the Trust's operating model and after a period of financial turnaround, all repayments were met and in February 2022 the FNTI was removed.

After delivering an operating surplus of £0.279m and investing £0.126m GAG income into our fixed asset base, the Trust held retained income funds of £1.425m (2022: £1.146m) and a closing cash balance of £3.384m.

In July 2023 Trustees approved the 2023/24 budget based on several key budget setting principles. The majority of Trust income (£24.938m) is via general annual grant allocations (GAG) which is notified prior to the start of the financial year and is paid in monthly instalments to aid cashflow. Other planned income and grants has been prudently assumed at £5.209m (2022/23 £5.651m reduction of 8%) and is based on current and new intake pupil numbers.

Trust pay budgets (£22.701m) cover the recurrent contracted staffing establishment inclusive of pay progression and pay inflation for the agreed 6.5% teaching pay award and the national employers offer for non-teaching staff. In addition to pay budgets we routinely budget for supply staff and monitor staffing levels and workforce changes throughout the year.

Non-pay budgets have been built up using known contract and SLA values for recurrent expenditure items. Additional budgets have been set for expenditure against restricted grants in line with grant restrictions. Budgets for utilities have built in a net increase of 10% inflation across all schools with variation at school level based on 2022/23 outturn. School curriculum budgets have been set globally based on previous year outturn and known curriculum changes and are allocated across departments / subject areas by Heads of School and monitored and reported on by the Central Finance Team. The Trust has built uncommitted contingency into budgets to offset any unforeseen in year cost pressures. It is anticipated that if not called upon during the year, this will be used to further support closing reserves.

Based on the budget parameters set out above the Trust is planning for an in-year operating surplus of £0.249m, closing reserves of £1.674m and closing cash of £3.543m.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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When considering the longer-term financial outlook, the Trust have used 2023/24 budgets as a baseline and have applied key planning assumptions across several budgetary areas.

Future grant income projections have been based on pupil number trends that also allow for the one-year funding lag for changes in pupil numbers. Where guidance indicates future changes to grants that will either cease or be built into GAG these have been reflected in future planning scenarios.

The Trust have assumed 2% inflationary increase across GAG and other grant income and across pay and non-pay budgets. This is to ensure the impact on inflation is not driving major changes across budgets, instead it is the impact of activity changes and pupil increases / decreases. While it is probable that pay inflation will be higher to keep in line with National Living Wage increases, it is anticipated this will not be directly passed on to schools and will be funded centrally as in previous financial years. Financial forecasts on pay have been adjusted for year-on-year incremental increases that have been calculated on a granular level. Where the Trust is aware of fixed term arrangements against specific areas of work, these have been reflected into forecasts.

The results of the planning exercise show that the current operating model is sustainable in the longer term due to consistently delivering favourable I&E outturns. This is in part a continuation of the controls put into place after the Financial Notice to Improve and subsequent financial turnaround, where the Trust had to make significant efficiencies to recover the financial position.

The other factor driving the improved outlook in future years is a result of pupil growth particularly in secondary schools, where the recent growth in intake numbers filter through the school years.

#### Reserves policy

The Trust has established a reserves policy to protect its activities against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. Trustees consider the level of funds retained based on an annual risk assessment of the internal and external operating environment, as well as having a due regard for the nature of activities undertaken by the Trust for its beneficiaries. Where individual academies with growing pupil numbers are impacted by the annual delay in grant funding, general reserves may be applied to fund growth. The Trustees anticipate the level of general funds retained should remain at levels equivalent to 5% annual grant funding.

On the 31 August 2023, restricted general funds stood at £1.854m (2022: £1.147m) and is the cumulative amount carried forward from revenue grant funding. This level of retained funds is equivalent to 6% grant funding and satisfies the Board's expectations set out in the reserves policy.

Restricted fixed asset funds stood at £54.208m (2022: £54.673m) and are represented by capital grants received in advance of expenditure and the carrying value of tangible restricted fixed assets.

The Trust is not currently holding unrestricted funds and Trustees have not designated funds for future purposes.

Contributions to the Trust defined benefit pension scheme deficit are calculated by the LGPS and are incorporated into the school pension charges each year either by a separate 'deficit' payment or an increased employer cost. Therefore, there is no requirement for an additional reserve to be created to mitigate the liability. The Trust is confident that it can meet the required pension contributions from projected future income without significantly impacting upon its planned level of activities. The Trust therefore continues to calculate its reserves without setting aside a Designated Reserve to cover the pension liability. The risks surrounding the Trust's pension liability have been taken into consideration when calculating the target ranges. The current fund at £827k (2022: £3.778m) would generally result in an increase of employers' pension contributions over a period of years and hence have future cash flow implications for the Trust.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Investment policy

The Trust Board through the Business, Finance and Audit Committee, has a duty to maximise income using 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.

The risk management approach is consistent across all schools, with risks regularly reviewed by local governing bodies along with a self-assessment against effective mitigations. The output of this is reviewed, tested and collated centrally to provide a holistic view of the organisation that is reported to the Trust Board .

The Trust monitors three key risks that are made up of a series of contributory risks. These are:

#### **1. Failure to ensure children achieve well**

These series of risks assess the school in relation to an effective culture, curriculum and teaching. Also ensuring systems are in place for effective management of behaviour, attendance and engagement with parents.

#### **2. Failure to ensure the welfare and well-being of the school community**

These risks ensure that effective controls are in place and that children are protected, safeguarding controls are operating appropriately, and that pastoral support is effective.

#### **3. Failure to protect and secure the future of the Trust**

These risks test governance and compliance to the regulatory framework the organisation adheres to. This includes oversight of financial, legal, compliance, business continuity, along with the effective management of Trust estate.

#### **Fundraising**

The Trust does not use any external professional fundraisers and received no complaints in year in this area. Any in year fundraising activity within academies was undertaken by internal resources and monitored by Trustees.

# THE HEATH FAMILY (NORTH WEST)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### Streamlined energy and carbon reporting

##### Energy consumption

Aggregate of energy consumption in the year kWh  
3,689,278

##### Emissions of CO2 equivalent

	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	410.24	
- Fuel consumed for owned transport	0.75	
		410.99
Scope 2 - indirect emissions		
- Electricity purchased		318.47
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust		2.77
Total gross emissions		732.23
Intensity ratio		
Tonnes CO2e per pupil		0.19

##### 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 Bridgewater Park Primary and Litherland Moss.
- The specification for the replacement of Palace Fields Primary boilers was undertaken and agreed in year and the project is due to conclude early 2023/24.
- ICT upgrades through Connect The Classroom have enabled the opportunity for 'smart switching' to automatically turn off equipment during downtimes. This will be rolled out to all schools during 2023/24.
- Review of heating and lighting timeframes to minimise wastage and to increase the efficient use of energy across the schools.
- Continued use 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 2023

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##### Plans for future periods

The Trust has introduced considerable change over the last three years as it began to emerge from the effects of the financial turnaround and the impact of Covid on its community. The Trust has grown its central team, introduced a range of strategies and processes and has focused on developing collaborative practice across academies. The approach now is to fully embed this methodology and review its impact before moving on again.

This approach does not diminish the ambition of Trustees as they are mindful that the schools within the Trust have double the numbers of children from deprived backgrounds than the national average. Large numbers of its families face significant financial, social and health issues and many families have not traditionally viewed education and school positively.

The Trust is passionate in its desire for outstanding education, and it cares for every one of its children. It recognises the importance of building sustained improvement and developing consistency – being good enough for everyone and all the time.

The Trust has made significant progress in the last year:

- It has had Ofsted visits to seven out of eight schools, including five full inspections and two monitoring visits. Whilst all schools are not yet good, every inspection has recognised the significant progress being made. The Trust is confident that as a result of its collective work they can all be rated good by the end of 2023/24.
- Behaviour and Attitudes and Personal Development are now good in seven schools – aspects that are vitally important to children.
- Both primary and secondary phases continue to improve outcomes year on year and primary pupils have exceeded national standards for the first time, including children in receipt of pupil premium or with SEND.

The Trust have evidenced these approaches are working and now aims to ensure consistent implementation in every school, in every classroom, for every child, every day.

##### 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 (Audit) Limited 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 07 December 2023 and signed on its behalf by:



H C Stevenson  
Chair

# THE HEATH FAMILY (NORTH WEST)

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2023

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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	2	6
A J Duckworth (Resigned 7 November 2022)	0	1
A S Gundersen	6	6
J M Inglis	4	6
C T Kelly (Appointed 24 February 2023)	1	2
K Smith	4	6
H C Stevenson (Chair)	5	6
T E Vitalis (Vice Chair) (Resigned 14 July 2023)	4	6
A S Williams	4	6

#### Conflicts of interest

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the Trust. Personal interests include direct interests as well as those of family, friends, or other organisations a person may be involved with or have an interest in. A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

In order to provide transparent and open governance, the Trust seeks to avoid and manage not just conflicts of interest but the perception of them. The overall approach taken by the Trust is to avoid conflicts of interest wherever possible and, where it is not possible, to manage and declare them.

This rationale is underpinned by the Trust's Conflicts of Interest and Related Party Transactions' Policy which outlines procedures and protocols in place as well as actions required should such a potential conflict arise.

The Heath Family (NW) will manage conflicts of interest by requiring all aforementioned parties to:

- avoid conflicts of interest where possible
- Identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow the policy and respond to any breaches

A Register of Business interests is maintained for all parties who are involved in the operation of the Trust including Trustees, Governors, Members, Accounting Officers and staff. The Register is reviewed prior to and at every Governing Body meeting and is included as a standing agenda item.



## THE HEATH FAMILY (NORTH WEST)

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2023

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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. The Education & Standards Committee has continued to meet to provide 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 Academies Trust Handbook.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Duckworth (Resigned 7 November 2022)	0	1
A S Gundersen	3	3
J M Inglis	2	3
T E Vitalis (Vice Chair) (Resigned 14 July 2023)	3	3

#### 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.

#### 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 2022 to 31 August 2023 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 2023

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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 2022-23 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: -

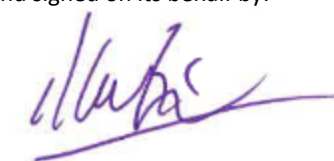
- The work of the external reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the senior leaders and managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 07 December 2023 and signed on its behalf by:



H C Stevenson  
Chair



Mr D Donnelly  
Accounting Officer

## THE HEATH FAMILY (NORTH WEST)

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2023**

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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, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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



Mr D Donnelly  
**Accounting Officer**

07 December 2023

## THE HEATH FAMILY (NORTH WEST)

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

#### FOR THE YEAR ENDED 31 AUGUST 2023

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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 2022 to 2023 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 2022 to 2023;
- 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 07 December 2023 and signed on its behalf by:



H C Stevenson  
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 2023**

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### Opinion

We have audited the accounts of The Heath Family (North West) for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 to 2023.

### 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 other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report 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.

## 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 2023**

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#### **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:

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.

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 2023**

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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 2023**

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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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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



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

7 December 2023

**Accountants**  
**Statutory Auditor**

3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
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 2023**

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In accordance with the terms of our engagement letter dated 7 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Heath Family (North West) during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 2023**

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

*Mitchell Charlesworth (Audit) Limited.*

#### **Reporting Accountant**

Mitchell Charlesworth (Audit) Limited  
3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

Dated: 07 December 2023

# THE HEATH FAMILY (NORTH WEST)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	General £	Restricted funds: Fixed asset £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	2,774	26,318	596,526	625,618	672,392
Charitable activities:						
- Funding for educational operations	4	503,865	28,281,605	-	28,785,470	26,642,330
Other trading activities	5	336,238	-	-	336,238	117,089
Investments	6	383	-	-	383	323
<b>Total</b>		<u>843,260</u>	<u>28,307,923</u>	<u>596,526</u>	<u>29,747,709</u>	<u>27,432,134</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	9	843,260	27,998,204	759,907	29,601,371	27,544,635
<b>Total</b>	7	<u>843,260</u>	<u>27,998,204</u>	<u>759,907</u>	<u>29,601,371</u>	<u>27,544,635</u>
<b>Net income/(expenditure)</b>		-	309,719	(163,381)	146,338	(112,501)
Transfers between funds	17	-	(126,534)	126,534	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	19	-	3,047,000	-	3,047,000	13,644,000
<b>Net movement in funds</b>		-	3,230,185	(36,847)	3,193,338	13,531,499
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(2,631,344)	54,672,284	52,040,940	38,509,441
Total funds carried forward		-	598,841	54,635,437	55,234,278	52,040,940

# THE HEATH FAMILY (NORTH WEST)

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2022		funds	General	Fixed asset	2022
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	3,214	-	669,178	672,392
Charitable activities:					
- Funding for educational operations	4	62,627	26,579,703	-	26,642,330
Other trading activities	5	117,089	-	-	117,089
Investments	6	323	-	-	323
<b>Total</b>		<u>183,253</u>	<u>26,579,703</u>	<u>669,178</u>	<u>27,432,134</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	183,253	26,660,099	701,283	27,544,635
<b>Total</b>	7	<u>183,253</u>	<u>26,660,099</u>	<u>701,283</u>	<u>27,544,635</u>
<b>Net expenditure</b>		-	(80,396)	(32,105)	(112,501)
Transfers between funds	17	-	(330,470)	330,470	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	13,644,000	-	13,644,000
<b>Net movement in funds</b>		-	13,233,134	298,365	13,531,499
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(15,864,478)	54,373,919	38,509,441
Total funds carried forward		-	(2,631,344)	54,672,284	52,040,940

# THE HEATH FAMILY (NORTH WEST)

## BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	13		54,207,642		54,672,284
<b>Current assets</b>					
Debtors	14	948,841		1,108,829	
Cash at bank and in hand		3,384,108		2,762,025	
		4,332,949		3,870,854	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(2,479,313)		(2,724,198)	
<b>Net current assets</b>			1,853,636		1,146,656
<b>Net assets excluding pension liability</b>			56,061,278		55,818,940
Defined benefit pension scheme liability	19		(827,000)		(3,778,000)
<b>Total net assets</b>			55,234,278		52,040,940
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			54,635,437		54,672,284
- Restricted income funds			1,425,841		1,146,656
- Pension reserve			(827,000)		(3,778,000)
<b>Total restricted funds</b>			55,234,278		52,040,940
<b>Unrestricted income funds</b>	17		-		-
<b>Total funds</b>			55,234,278		52,040,940

The accounts on pages 25 to 48 were approved by the trustees and authorised for issue on 07 December 2023 and are signed on their behalf by:



H C Stevenson  
Chair

Company registration number 07614421 (England and Wales)

# THE HEATH FAMILY (NORTH WEST)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		320,439		1,995,813
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		383		323	
Capital grants from DfE Group		588,053		669,178	
Capital funding received from sponsors and others		8,473		-	
Purchase of tangible fixed assets		(295,265)		(2,195,057)	
<b>Net cash provided by/(used in) investing activities</b>			301,644		(1,525,556)
<b>Net increase in cash and cash equivalents in the reporting period</b>			622,083		470,257
Cash and cash equivalents at beginning of the year			2,762,025		2,291,768
<b>Cash and cash equivalents at end of the year</b>			3,384,108		2,762,025

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

---

#### 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 2022 to 2023 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.

##### 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.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

#### 1 Accounting policies

(Continued)

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

##### 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'.

##### 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.



# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

#### 1 Accounting policies

(Continued)

##### 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

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.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

#### 1 Accounting policies

(Continued)

##### Financial liabilities

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

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

#### 1.10 Taxation

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

#### 1.11 Pensions benefits

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

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

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

#### 1.12 Fund accounting

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

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.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 19, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	588,053	588,053	669,178
Other donations	2,774	34,791	37,565	3,214
	<u>2,774</u>	<u>622,844</u>	<u>625,618</u>	<u>672,392</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	23,596,047	23,596,047	22,533,268
Other DfE/ESFA grants:				
- UIFSM	-	68,626	68,626	89,196
- Pupil premium	-	1,793,095	1,793,095	1,931,736
- Supplementary grant	-	929,338	929,338	-
- DfE teaching grants	-	85,200	85,200	-
- Others	-	578,413	578,413	814,749
	-	27,050,719	27,050,719	25,368,949
<b>Other government grants</b>				
Local authority grants	-	773,649	773,649	662,230
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	384,757	384,757	-
Other DfE/ESFA COVID-19 funding	-	-	-	30,623
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	-	-	11,940
	-	384,757	384,757	42,563
<b>Other incoming resources</b>	503,865	72,480	576,345	568,588
<b>Total funding</b>	503,865	28,281,605	28,785,470	26,642,330

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	93,022	-	93,022	66,028
Catering income	243,216	-	243,216	51,061
	336,238	-	336,238	117,089

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	383	-	383	323

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2023 £	Total 2022 £
Academy's educational operations					
- Direct costs	17,839,115	-	2,702,908	20,542,023	18,237,323
- Allocated support costs	3,250,044	3,926,014	1,883,290	9,059,348	9,307,312
	21,089,159	3,926,014	4,586,198	29,601,371	27,544,635

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

	2023 £	2022 £
Depreciation of tangible fixed assets	759,907	698,557
Loss on disposal of fixed assets	-	2,726
Fees payable to auditor for:		
- Audit	17,300	15,750
- Other services	5,125	1,950
Net interest on defined benefit pension liability	149,000	271,000

### 8 Central services

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

- financial services
- educational support

The academy trust charges for these services at a flat rate, being 8% of the GAG income (excluding PFI funding) received by each academy.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Central services		(Continued)	
The amounts charged during the year were as follows:		2023	2022
		£	£
Litherland Moss Primary		85,000	89,000
The Heath School		573,000	593,000
Bridgewater Park Primary		52,000	53,000
Litherland High School		340,000	331,000
The Prescott School		467,000	462,000
Palace Fields Primary		69,000	77,000
Daresbury Primary		64,000	63,000
Halsnead Primary		114,000	120,000
		<u>1,764,000</u>	<u>1,788,000</u>
9 Charitable activities			
	Unrestricted funds	Restricted funds	Total
	£	£	2023
			£
<b>Direct costs</b>			
Educational operations	843,260	19,698,763	20,542,023
			18,237,323
<b>Support costs</b>			
Educational operations	-	9,059,348	9,059,348
			9,307,312
	<u>843,260</u>	<u>28,758,111</u>	<u>29,601,371</u>
			<u>27,544,635</u>
			2023
			£
<b>Analysis of support costs</b>			
Support staff costs			3,250,044
Depreciation			759,907
Technology costs			371,143
Premises costs			3,166,107
Legal costs			45,409
Other support costs			1,410,753
Governance costs			55,985
			<u>9,059,348</u>
			<u>9,307,312</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 10 Staff

##### Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	16,203,568	14,116,863
Social security costs	1,453,693	1,407,481
Pension costs	2,551,849	3,926,410
Staff costs - employees	20,209,110	19,450,754
Agency staff costs	880,049	610,191
	21,089,159	20,060,945
Staff development and other staff costs	358,158	307,213
Total staff expenditure	21,447,317	20,368,158

##### Staff numbers

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

	2023 Number	2022 Number
Teachers	248	239
Administration and support	245	223
Management	15	14
	508	476

The Trust has recently implemented new reporting through a centralised payroll provider which has allowed for a review of the classification of staff groups and their average headcount calculations. This has resulted in a restatement of the 2022 figures to align with the new calculation method going forward.

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Staff

(Continued)

#### Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	13	13
£70,001 - £80,000	7	2
£80,001 - £90,000	2	2
£90,001 - £100,000	3	2
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>      </u>	<u>      </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 £443,912 (2022: £419,895).

### 11 Trustees' remuneration and expenses

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

#### Trustees' expenses

No expenses were paid to trustees in the current year (2022: £Nil).

### 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 2023

### 13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2022	57,477,183	1,445,778	812,664	66,910	59,802,535
Additions	67,518	171,991	55,756	-	295,265
	<u>57,544,701</u>	<u>1,617,769</u>	<u>868,420</u>	<u>66,910</u>	<u>60,097,800</u>
<b>Depreciation</b>					
At 1 September 2022	3,477,058	904,872	681,411	66,910	5,130,251
Charge for the year	550,760	167,591	41,556	-	759,907
	<u>4,027,818</u>	<u>1,072,463</u>	<u>722,967</u>	<u>66,910</u>	<u>5,890,158</u>
<b>Net book value</b>					
At 31 August 2023	<u>53,516,883</u>	<u>545,306</u>	<u>145,453</u>	<u>-</u>	<u>54,207,642</u>
At 31 August 2022	<u>54,000,125</u>	<u>540,906</u>	<u>131,253</u>	<u>-</u>	<u>54,672,284</u>

### 14 Debtors

	2023 £	2022 £
Trade debtors	11,517	21,403
VAT recoverable	238,084	474,095
Other debtors	32,468	51,721
Prepayments and accrued income	666,772	561,610
	<u>948,841</u>	<u>1,108,829</u>

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

	2023 £	2022 £
Trade creditors	766,142	1,128,464
Other taxation and social security	392,101	351,056
Other creditors	384,983	560,990
Accruals and deferred income	936,087	683,688
	<u>2,479,313</u>	<u>2,724,198</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 16 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	264,002	97,783
Deferred income at 1 September 2022	97,783	63,261
Released from previous years	(97,783)	(63,261)
Resources deferred in the year	264,002	97,783
Deferred income at 31 August 2023	264,002	97,783

#### 17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,146,516	23,596,047	(23,253,968)	(126,534)	1,362,061
UIFSM	-	68,626	(68,626)	-	-
Pupil premium	-	1,793,095	(1,793,095)	-	-
Catch-up premium	-	384,757	(384,757)	-	-
Other DfE/ESFA grants	-	663,613	(663,613)	-	-
Other government grants	-	773,649	(773,649)	-	-
Supplementary grant	-	929,338	(929,338)	-	-
Other restricted funds	140	98,798	(35,158)	-	63,780
Pension reserve	(3,778,000)	-	(96,000)	3,047,000	(827,000)
	(2,631,344)	28,307,923	(27,998,204)	2,920,466	598,841
<b>Restricted fixed asset funds</b>					
Inherited on conversion	51,153,101	-	(435,429)	-	50,717,672
DfE group capital grants	3,043,651	588,053	(244,676)	-	3,387,028
Capital expenditure from GAG	475,532	-	(79,802)	126,534	522,264
Other restricted fixed asset income	-	8,473	-	-	8,473
	54,672,284	596,526	(759,907)	126,534	54,635,437
<b>Total restricted funds</b>	52,040,940	28,904,449	(28,758,111)	3,047,000	55,234,278
<b>Unrestricted funds</b>					
General funds	-	843,260	(843,260)	-	-
<b>Total funds</b>	52,040,940	29,747,709	(29,601,371)	3,047,000	55,234,278

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 17 Funds

(Continued)

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.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	154,888	22,533,268	(21,211,170)	(330,470)	1,146,516
UIFSM	-	89,196	(89,196)	-	-
Pupil premium	-	1,931,736	(1,931,736)	-	-
Catch-up premium	108,408	-	(108,408)	-	-
Other DfE/ESFA COVID-19 funding	-	30,623	(30,623)	-	-
Other Coronavirus funding	-	11,940	(11,940)	-	-
Other DfE/ESFA grants	-	814,749	(814,749)	-	-
Other government grants	-	662,230	(662,230)	-	-
Other restricted funds	11,226	505,961	(517,047)	-	140
Pension reserve	(16,139,000)	-	(1,283,000)	13,644,000	(3,778,000)
	<u>(15,864,478)</u>	<u>26,579,703</u>	<u>(26,660,099)</u>	<u>13,313,530</u>	<u>(2,631,344)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	51,590,137	-	(437,036)	-	51,153,101
DfE group capital grants	2,589,226	669,178	(214,753)	-	3,043,651
Capital expenditure from GAG	194,556	-	(49,494)	330,470	475,532
	<u>54,373,919</u>	<u>669,178</u>	<u>(701,283)</u>	<u>330,470</u>	<u>54,672,284</u>
<b>Total restricted funds</b>	<u>38,509,441</u>	<u>27,248,881</u>	<u>(27,361,382)</u>	<u>13,644,000</u>	<u>52,040,940</u>
<b>Unrestricted funds</b>					
General funds	-	183,253	(183,253)	-	-
<b>Total funds</b>	<u>38,509,441</u>	<u>27,432,134</u>	<u>(27,544,635)</u>	<u>13,644,000</u>	<u>52,040,940</u>

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds (Continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£	£
Litherland Moss Primary	6,566	78,527
The Heath School	363,331	225,181
Bridgewater Park Primary	197,100	154,976
Litherland High School	(954,943)	(898,096)
The Prescott School	888,834	709,896
Palace Fields Primary	446,688	384,556
Daresbury Primary	(101,326)	(47,705)
Halsnead Primary	198,163	318,653
Central services	381,428	220,668
Total before fixed assets fund and pension reserve	1,425,841	1,146,656
Restricted fixed asset fund	54,635,437	54,672,284
Pension reserve	(827,000)	(3,778,000)
Total funds	55,234,278	52,040,940

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 2023	Total 2022
	£	£	£	£	£	£
Litherland Moss Primary	1,045,667	87,767	36,966	292,772	1,463,172	1,495,507
The Heath School	5,770,200	839,045	633,931	921,150	8,164,326	8,399,184
Bridgewater Park Primary	516,517	80,531	54,905	146,659	798,612	816,951
Litherland High School	3,468,108	321,282	347,743	778,903	4,916,036	4,738,687
The Prescott School	4,336,335	662,656	690,631	2,049,511	7,739,133	6,988,168
Palace Fields Primary	746,560	61,418	71,428	247,194	1,126,600	1,163,245
Daresbury Primary	711,452	32,993	57,150	156,068	957,663	851,068
Halsnead Primary	1,372,205	137,702	119,720	366,943	1,996,570	1,834,672
Central services	740,972	344,181	3,968	590,230	1,679,351	555,869
	18,708,016	2,567,575	2,016,442	5,549,430	28,841,463	26,843,351

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 18 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Endowment Funds £	Total Funds £
<b>Fund balances at 31 August 2023 are represented by:</b>					
Tangible fixed assets	-	-	54,207,642	-	54,207,642
Current assets	-	3,905,154	427,795	-	4,332,949
Current liabilities	-	(2,479,313)	-	-	(2,479,313)
Pension scheme liability	-	(827,000)	-	-	(827,000)
<b>Total net assets</b>	-	598,841	54,635,437	-	55,234,278

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Endowment Funds £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>					
Tangible fixed assets	-	-	54,672,284	-	54,672,284
Current assets	-	3,870,854	-	-	3,870,854
Current liabilities	-	(2,724,198)	-	-	(2,724,198)
Pension scheme liability	-	(3,778,000)	-	-	(3,778,000)
<b>Total net assets</b>	-	(2,631,344)	54,672,284	-	52,040,940

#### 19 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 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £384,430 (2022: £357,315) were payable to the schemes at 31 August 2023 and are included within creditors.

##### Teachers' Pension Scheme

##### Introduction

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

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

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 19 Pension and similar obligations

(Continued)

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,853,692 (2022: £1,866,148).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % 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	2023 £	2022 £
Employer's contributions	1,176,000	1,044,000
Employees' contributions	300,000	256,000
Total contributions	1,476,000	1,300,000

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	4.0	4.0
Rate of increase for pensions in payment/inflation	2.9	3.0
Discount rate for scheme liabilities	5.3	4.3
Inflation assumption (CPI)	2.9	2.9

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

	2023 Years	2022 Years
Retiring today		
- Males	20.33	21.05
- Females	23.48	23.90
Retiring in 20 years		
- Males	21.14	22.25
- Females	24.65	25.70

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

	2023 £'000	2022 £'000
Discount rate + 0.1%	-49	-58
Discount rate - 0.1%	49	58
Mortality assumption + 1 year	69	75
Mortality assumption - 1 year	-68	-75
CPI rate + 0.1%	46	55
CPI rate - 0.1%	-46	-55

The academy trust's share of the assets in the scheme	2023 Fair value £	2022 Fair value £
Equities	9,425,640	8,130,810
Corporate bonds	3,494,810	3,427,080
Gilts	454,000	627,000
Cash and other liquid assets	189,570	747,140
Other assets	4,563,980	3,775,970
Total market value of assets	18,128,000	16,708,000

The actual return on scheme assets was £195,000 (2022: £(1,090,000)).

# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations		(Continued)	
Amount recognised in the statement of financial activities		2023	2022
		£	£
Current service cost		1,123,000	2,055,000
Past service cost		-	1,000
Interest income		(739,000)	(289,000)
Interest cost		888,000	560,000
Total operating charge		1,272,000	2,327,000
Changes in the present value of defined benefit obligations		2023	2022
		£	£
At 1 September 2022		20,486,000	33,082,000
Current service cost		1,110,000	2,044,000
Interest cost		888,000	560,000
Employee contributions		300,000	256,000
Actuarial gain		(3,591,000)	(15,023,000)
Benefits paid		(238,000)	(434,000)
Past service cost		-	1,000
At 31 August 2023		18,955,000	20,486,000
Changes in the fair value of the academy trust's share of scheme assets		2023	2022
		£	£
At 1 September 2022		16,708,000	16,943,000
Interest income		739,000	289,000
Actuarial loss		(544,000)	(1,379,000)
Employer contributions		1,176,000	1,044,000
Employee contributions		300,000	256,000
Benefits paid		(238,000)	(434,000)
Effect of non-routine settlements and administration expenses		(13,000)	(11,000)
At 31 August 2023		18,128,000	16,708,000



# THE HEATH FAMILY (NORTH WEST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

	Notes	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		146,338	(112,501)
Adjusted for:			
Capital grants from DfE and other capital income		(596,526)	(669,178)
Investment income receivable	6	(383)	(323)
Defined benefit pension costs less contributions payable	19	(53,000)	1,012,000
Defined benefit pension scheme finance cost	19	149,000	271,000
Depreciation of tangible fixed assets		759,907	698,557
Loss on disposal of fixed assets		-	2,726
Decrease/(increase) in debtors		159,988	(479,153)
(Decrease)/increase in creditors		(244,885)	1,272,685
<b>Net cash provided by operating activities</b>		<b>320,439</b>	<b>1,995,813</b>

#### 21 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	2,762,025	622,083	3,384,108

#### 22 Long-term commitments

##### Operating leases

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

	2023 £	2022 £
Amounts due within one year	1,243,519	1,280,677
Amounts due in two and five years	4,974,074	4,990,303
Amounts due after five years	7,461,111	8,704,630
	<b>13,678,704</b>	<b>14,975,610</b>

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

## THE HEATH FAMILY (NORTH WEST)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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#### **23 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 ATH 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 £39,680 during the year (2022: £6,249). 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 Academy Trust Handbook 2022.

#### **24 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.