

Company Registration Number: 07614421
(England and Wales)

The Heath Family (North West)
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014

The Heath Family (North West)

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**The Heath Family (North West)
Reference and Administrative Details**

**Heath Family (North West) Multi Academy Trust
Trustees**

Mrs J Ainsworth
Mrs H Mullaney
Mrs A Parry
Mr P Cook

Directors

Mrs J Ainsworth
Mr P Cook
Mrs P Cain
Mr S Dewhurst
Mrs H Mullaney
Mrs A Parry

Senior Management Team

Mrs H Mullaney, Executive Principal
Mr S Dewhurst, Vice Principal (Finance & Resources)

Company registered number

07614421

The Heath Family (North West)

Reference and Administrative Details

Governors (Heath School)

Mrs J Ainsworth, Chair and Director

Mrs A Parry, Vice Chair and Director

Mr J Jardine, Principal and Accounting Officer - appointed 01.01.2013 on the formation of the Heath Family (North West) Multi Academy Trust

Mr J Adams, Responsible Officer (resigned 15.05.14)

Mrs D Bamber (appointed 26.09.13)

Mr R Beech

Mrs L Davies

Mrs M Warburton (appointed 26.09.13)

Mr G Willcox (appointed 26.09.13 and resigned 30.06.14)

Mrs A Hough (appointed 01.07.14)

Mrs P Robinson (appointed 01.07.14)

Mr P Cook (Chair of The Heath Family (North West) Multi Academy Trust) (resigned from The Heath Governors on 23.01.14)

Mr C Fitzsimons

Miss V Snelson

Mrs W Segal, Staff Governor (resigned 26.09.13)

Mrs D Brown, Staff Governor (resigned 15.05.14)

Mr R Young, Staff Governor (appointed 02.06.14)

Mrs J Hayes, Staff Governor (appointed 01.07.14)

Mr S Dewhurst, Associate Governor

Mr S Byrne, Associate Governor (commencing 01/01/2013)

Mr R Rogers, Associate Governor

Senior Management Team (The Heath School)

Mr J Jardine, Principal

Mr S Byrne, Vice Principal

Mr R Rogers, Vice Principal

Mr S Dewhurst, Finance and Business Manager (until 01/01/2013)

Mr R. Dance, Assistant Principal

Mrs E Rowlands, Assistant Principal

Mrs N McNamee, Assistant Principal

Mrs H Newcombe, Assistant Principal

Mrs J Gargan, Assistant Principal (01/09/13)

Mrs E Robinson, Acting Assistant Principal

The Heath Family (North West)
Reference and Administrative Details

Governors (Sir William Stanier Community High School)

Ray Cartwright
Nigel Peet, Chair
David Cooper, Vice Chair
Wayne Trafford, Staff Governor
Tracey Hutchings, Staff Governor
Tim Halden, Staff Governor (resigned Jan 14)
Sara Randle, Staff Governor
Becky Barker
Tony Coxhill
Jeannie Jones
Nicky Lewsley
Ruth Thorley (resigned Apr 14)
Janice Melia, Sponsor Governor then became Community Governor on 01/02/14
Mark Bayley (appointed Nov 13)
Carl Goodwin (appointed May 14)
Janice Leverone, Staff Governor (appointed Feb 14)
Judy Rock (appointed May 14)

Senior Management Team (Sir William Stanier Community High School)

Mr W Trafford – Principal
Mr J Fraser – Vice Principal
Ms C Casewell – Assistant Principal – Achievement and Progress
Mr J Casewell – AP – Teaching and Learning
Ms C Harper – AP – Curriculum
Mrs M Cassin - AP – SENDCo
Mrs E Rowlands (Seconded – AP Behaviour)
Ms L Doyle (Seconded – details TBC)

Governors (Bridgewater Park Primary School)

Peter Cook, Chair & Director
Paula Cain, Chair & Director
Heather Mullaney, Executive Principal & Director
Stephen Dewhurst, Vice Principal & Director
Nigel Peet
Jane Ainsworth, Director
Alicia Parry, Director
Paul Holloway, Staff Governor
Christine Boyd
Dawn Jones
Gill Bennett

Senior Management Team (Bridgewater Park Primary School)

Paul Holloway

The Heath Family (North West)
Reference and Administrative Details

Company registered number
07614421

Registered office
Clifton Road, Runcorn, Cheshire, WA7 4SY

Auditor
BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

Bankers
Lloyds Bank, 75 High Street, Runcorn, Cheshire, WA7 IAN

Solicitors
Hill Dickinson, 1 St Paul's Square, Old Hall Street, Liverpool, L3 9SJ

The Heath Family (North West) Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2012 to 31 August 2013.

Structure, governance and management

a. Constitution

Heath Family (North West) Multi Academy Trust

The Heath Family (North West) is a company limited by guarantee and a registered charity. The Charitable Company's memorandum and articles of association dated 31st December 2012 are the primary governing documents of The Heath Family (North West) Multi Academy Trust.

The Charitable Company was and from 1 January 2013 became an academy within The Heath School was a company limited by guarantee and a registered charity which was incorporated on 26 April 2011 and received academy status on 1 June 2011. From 1 January 2013, The Heath School converted from a single academy to a multi academy trust, the Heath Family (North West) Multi Academy Trust.

The directors act as the trustees for the charitable activities of the Heath Family (North West) Multi Academy Trust and were also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as the Heath Family (North West).

b. 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.

The Heath Family (North West) Reference and Administrative Details

c. Governors' Indemnities

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of governors.

**The Heath Family (North West)
Trustees' Report (continued)**

d. Principal Activities: Heath Family (North West) multi academy trust

VISION

The Heath Family Multi Academy Trust is centred on raising standards of achievement and aspirations for all students to the highest standard by developing and nurturing both primary and secondary academies.

We will be part of a local strategy to increase choice and diversity in education encompassing innovative approaches to curriculum, teaching and learning, leadership and management.

We will place an emphasis on talent management, developing leaders and enhanced professional development for all staff.

We will extend our impact in terms of raising standards of education for more young people and help break the cycle of underachievement and low aspirations which is a feature of significant parts of the Merseyside and Cheshire area.

OUR VALUES

- We recognise that everyone is of equal worth and has a valuable contribution to make
- We work collaboratively, sharing good ideas and best practice.
- We are concerned at all times for our own health and safety and that of others.
- We seek ways always to remain positive, enthusiastic and optimistic about our work and to promote all that we do well within our local community.
- We recognise staff and students/children as individual learners whom we shall support to develop high levels of skill and understanding and to keep abreast of leading edge practice.

AIMS

OUR STUDENTS/CHILDREN WILL:

- make excellent progress
- achieve high expectations
- understand and celebrate the diversity of their community
- develop resilience and a love of learning
- take an important role in being a positive impact on their community.

**The Heath Family (North West)
Trustees' Report (continued)**

OUR STAFF WILL:

- dedicate themselves to achieving the best outcomes for all students/children
- have a clear understanding of their roles and responsibilities and be accountable for their impact
- develop their skills and knowledge in pursuit of the highest standards
- work together to develop outstanding practice
- be committed to lifelong learning
- deploy their resources to secure best value and high outcomes for students/children
- adopt robust ways of tracking the progress of students/children
- be committed to achieving sustainable improvement.
- set high expectations for learning and expect all students to achieve challenging targets

e. Method of recruitment and appointment or election of Governors

Heath Family (North West) Multi Academy Trust

Appointment of Directors

The members may appoint up to 16 Directors

The members may appoint Staff Directors through such process as they may 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.

Academy Directors

Subject to Article 52, the chairman of each Local Governing Body shall be an Academy Director for as long as he remains in office as such and shall be appointed by the Directors of the Company but they shall appoint as the chairman of a Local Governing Body someone other than the Chief Executive Office.

If the number of Academies exceeds 5, the chairman of the Local Governing Bodies shall elect 5 persons from amongst their numbers to be the Academy Directors. Any person elected in accordance with the Article shall only remain an Academy Director for as long as he remains chairman of a Local Governing Body. The Directors shall make all necessary arrangements for, and determine all other matters relating to, the election of the Academy Directors in accordance with this Article. Any election of the Academy Directors which is contested shall be held by secret ballot.

The Heath Family (North West) Trustees' Report (continued)

Parent Directors

There shall be a minimum of 2 Parent Directors for every 10 or fewer academies. Parent Directors shall be elected by the Parent members of the Local Governing Bodies (who shall themselves have been elected or appointed in accordance with the terms of reference determined by the Directors from time to time) from amongst their number. The elected Parent Directors must be a parent of a registered pupil at one of the Academies at the time which he is elected.

The number of Parent Directors required shall be made up by Parent Directors appointed by the Directors if the number of parents standing for election is less than the number of vacancies.

The Directors shall make all necessary arrangement for, and determine all other matters relating to, an election of the Parent Directors, including any question of whether a person is a parent of registered pupil at one of the Academies. Any election of the Parent Directors which is contested shall be held by secret ballot.

In appointing a Parent Director the Directors shall appoint a person who is the parent of a registered pupil at an Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Chief Executive Officer

The Chief Executive Officer shall be a Director for as long as he or she remains in office as such.

Co-opted Directors

The Directors may appoint up to 3 Co-opted Directors. A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed.

The Directors may not co-opt an employee of the Company as a Co-opted Director is thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors including the Chief Executive Officer.

f. Policies and procedures adopted for the induction and training of Governors

New governors are, upon appointment, issued with a welcome pack and inducted by the chair of governors. The Trust Schools have access to e-learning modules and a central training programme via the Governors' Learning Partnership.

The Heath Family (North West) Trustees' Report (continued)

g. Organisational structure Heath Family (North West) Multi Academy Trust

The Heath Family (North West) Management Structure has three tiers: the members, directors, the Senior Management Team (SMT). Directors are responsible for the setting of general policy, approval of a framework for development and adopting an annual budget plan. The governors monitor the trust and individual academy finances by the use of budget reports and their approval is required for major spending decisions and personnel appointments.

The SMT currently consists of the Executive Principal and Vice Principal. The SMT control the academy at an executive level implementing the policies laid down by directors and reporting back to them. The SMT is responsible for the authorisation of spending within agreed budgets and up to a level detailed in the scheme of delegation.

h. Risk management

The directors of the Heath Family (North West) have assessed the major risks to which the academy/trust is exposed, in particular those relating to the operational aspects of the academy/trust and its finances. The governors and directors are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

i. Connected organisations, including related party relationships

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

The Heath School has converted from a single academy to a multi academy trust. Initially the Heath was the sole member of the trust but on 1 September 2013 Sir William Stanier School, a Sponsored Secondary Academy joined the trust. On 1 March 2014, The Park Primary a Sponsored Primary Academy became the third school within the trust and on 1st April 2015 Litherland High School a Sponsored Academy will join the trust. The Heath family of schools is expected to increase in number in future years to reach a group total of 10 schools. In addition one academy holds a franchise for the Liverpool Institute of Performing Arts (LIPA) and the company Heath Perform Ltd uses the site as a base for its activities. The Heath Tennis Club is a community tennis club located on the school site and using school facilities.

Objectives and Activities

a. Object and aims

The principal object and activity of the charitable company is the operation of the Heath Family (North West), to provide outstanding educational opportunities for students of different abilities between the ages of 11-19.

The main objectives of the Trust during the period ending 31st August 2014 are summarised below:

The Heath Family (North West) Trustees' Report (continued)

- To ensure that every student experiences the same high quality education in terms of resources, tuition and care.
- To raise the standard of educational achievement and progress for all students.
- To improve the effectiveness of the Trust schools by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To maintain existing and develop new links with the community, industry & commerce.
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

b. Objectives, strategies and activities

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

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

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

c. Public benefit

In setting our objectives and planning our activities the directors and governors have given careful consideration to the Charity Commission's general guidance on public benefit. Students are admitted in accordance with the admissions policy agreed with the department for Education (DfE). Students are admitted from a wide range of backgrounds and the curriculum offered is broad and balanced.

The Heath Family (North West) Trustees' Report (continued)

Strategic Report

Achievements and performance

It has long been a concern that our most able students have chosen to enrol at post 16 colleges located outside the borough of Halton. In an attempt to halt this out of borough drift and provide opportunities for high quality post 16 education locally, The Heath School was granted permission to open a sixth form on the Heath site from September 2014. The Heath School was also successful in its bid to the Priority Schools Building Programme and we are delighted to have been awarded capital funding for a new build 11-19 school.

b. Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that The Heath School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

c. Key financial performance indicators

Financial performance is monitored monthly against budget and established expenditure profiles, which will have increased relevancy as the Academy becomes established and there is more historical data on which to build projections.

Income and cashflow are also monitored on a monthly basis to ensure funding is received in line with agreements and that the financial liquidity of the Academy is maintained.

The Academy held fund balances at 31 August 2014 of £27,675k (2013: £7,420k) comprising £27,072k (2013: £7,118k) of restricted funds and £603k (£302k) of unrestricted general funds. Of the restricted funds, £30,170k (2013: £7,637k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £3,412k (2013: £627k) in deficit.

The finance governors review the financial performance of the monthly accounts against the forecast budget at each committee meeting.

It is the Governors current aim to maintain an in year balanced budget to secure the longer term future financial future of the academy. This was achieved during this period and it is anticipated that this will continue into the current financial year.

**The Heath Family (North West)
Trustees' Report (continued)**

Financial review

a. Financial and risk management objectives and policies

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

b. Principal risks and uncertainties

The Academy is funded directly from the EFA funding streams and as such these are considered to be reasonably safe and secure. The main risk likely to be encountered is a change in government policy and subsequent possible cuts in funding levels. Falling numbers is considered the next most serious risk to the Trust schools.

c. Reserves policy

It is prudent and sound financial practice to establish an adequate level of reserves for the following reasons:

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

As funding for the academy will not increase to allow for increased costs resulting from aging as detailed above, it is necessary to make allowance from budgets available and carry the reserve forwards.

This will help achieve the objectives set above, however the level of reserves will need to be revisited if additional use of reserves are required to ensure that the finances of the academy are managed on a long term sustainable basis.

The Heath Family (North West) Trustees' Report (continued)

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to two weeks' expenditure.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £603k (2013: £302k) (total funds less the amount held in fixed assets and restricted funds) is much less than is needed. The Academy intends to make every effort to build up free reserves to this level by building additional capacity in other services such as school support.

There is a pension fund deficit within restricted funds of (£3,412k) (2013: £627k)). This does not mean that an immediate liability for this amount crystallises. The deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase in employers' pension contributions over a period of years.

d. Investment policy

The Business Manager will liaise closely with the Commercial Account Manager at Lloyds TSB to ensure the best available rate of return is achieved on any reserves.

Plans for future periods

a. Future developments

During the year 2014-2015 the Academy will be reassessed by Inclusion Quality Mark (IQM) and our School Improvement Partner (SIP) will continue to scrutinise all aspects of school effectiveness in all establishments. The Heath opened a Sixth Form in September 2014 to provide high quality post 16 provision. It is hoped that in 2014-15 the outcome of the public enquiry into planning consent will be known and that construction of the new school will finally be allowed to commence.

**The Heath Family (North West)
Trustees' Report (continued)**

Auditor

Each of the persons who are Governors at the time when this Governors report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This Trustees' report, incorporating a strategic report, was approved by order of the members of the Governing Body on 18 December 2013 and signed on its behalf by:

Mr P Cook
Chair

The Heath Family (North West)

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Heath Family (North West) has 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 local governing bodies have delegated the day-to-day responsibility to the Principal, 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 governing body any material weaknesses or breakdowns in internal control.

Governance

The Heath School

The information on governance included here supplements that described in the Governors report and in the governors' responsibilities statement. The governing body has formally met 9 times during the period. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mrs J Ainsworth, Chair and Director	9	9
Mrs A Parry, Vice Chair and Director	9	9
Mr J Jardine, Principal and Accounting Officer	5	6
Mr J Adams, Responsible Officer	2	7
Mrs D Bamber	5	9
Mr R Beech	7	9
Mrs L Davies	7	9
Mrs M Warburton	7	9
Mr G Willcox	4	8
Mrs A Hough	1	1
Mrs P Robinson	1	1
Mr P Cook	3	4
Mr C Fitzsimons	4	9
Miss V Snelson	9	9
Mrs W Segal, Staff Governor	1	1
Mrs D Brown, Staff Governor	3	7
Mr R Young, Staff Governor	1	1
Mrs J Hayes, Staff Governor	1	1
Mr S Dewhurst, Associate Governor	4	6
Mr S Byrne, Associate Governor	2	6
Mr R Rogers, Associate Governor	4	6

The Heath Family (North West)
Governance Statement (continued)

The **Finance and General Purposes Committee** is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Mrs J Ainsworth (Chair)	6	6
Mr R Beech	5	6
Mr P Cook	1	1
Mrs L Davies	4	6
Mr C Fitzsimons	1	6
Mr J Jardine	6	6
Mrs A Parry	4	6
Mrs V Snelson	4	6

Sir William Stanier Community High School

The information on governance included here supplements that described in the Governors report and in the governors' responsibilities statement. The governing body has formally met 3 times during the period. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Nigel Peet, Chair	3	3
David Cooper, Vice Chair	3	3
Wayne Trafford, Staff Governor	3	3
Tracey Hutchings, Staff Governor	2	3
Tim Halden, Staff Governor	1	1
Sara Randle, Staff Governor	0	3
Becky Barker	2	3
Ray Cartwright	3	3
Tony Coxhill	2	3
Jeannie Jones	1	3
Nicky Lewsley	3	3
Ruth Thorley	0	1
Janice Melia, Sponsor/Community	1	3
Mark Bayley	1	2
Carl Goodwin	1	1
Janice Leverone, Staff Governor	1	1
Judy Rock	1	1

The Heath Family (North West) Governance Statement (continued)

The **Strand 4 Leadership & Management Committee** is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Ray Cartwright	5	7
Nigel Peet	6	7
Tracey Hutchings	6	7
David Cooper	1	1
Wayne Trafford	7	7
Tony Coxhill	5	7
Judy Rock	1	1

Bridgewater Park Primary School

The information on governance included here supplements that described in the Governors report and in the governors' responsibilities statement. The governing body has formally met 4 times during the period. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Peter Cook, Chair & Director	3	4
Paula Cain, Director	1	4
Heather Mullaney, Executive Principal & Director	4	4
Stephen Dewhurst, Vice Principal & Director	4	4
Nigel Peet	1	4
Jane Ainsworth, Director	4	4
Alicia Parry, Director	4	4
Paul Holloway, Staff Governor	4	4
Christine Boyd	3	4
Dawn Jones	2	4
Gill Bennett	3	4

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 The Heath Family (North West)'s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

The Heath Family (North West) Governance Statement (continued)

Capacity to Handle Risk

The governing body has reviewed the key risks to which The Heath School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body and is being improved with the assistance of the school's accountancy and business consultants.

The Risk and Control Framework

The Heath Family (North West)'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 governing body;
- regular reviews by the Finance and General Purposes 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.

Governors have appointed a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. BDO LLP have been appointed to support the RO in his work. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within The Heath Family (North West) schools who have responsibility for the development and maintenance of the internal control framework.

The Heath Family (North West)
Governance Statement (continued)

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

Approved by order of the members of the governing body on 19 December 2014 and signed on its behalf by:

Mr P Cook
Chair

Mrs H Mullaney
Accounting Officer

The Heath Family North West
Statement on Regularity, Propriety and Compliance

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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

During the year there was one incident where school funds have been misappropriated. This matter is currently under investigation but has been referred to the EFA.

Additionally, a payment of £1,211.86 to HMRC was paid on behalf of Heath Perform Limited on 14 November 2013. Heath Perform Limited is a company where Heather Mullaney, the Academy's accounting officer is a director. At the year end the amount has not been repaid.

There were no other instances of material irregularity, impropriety or funding non-compliance which have been discovered to date.

I confirm that any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and the EFA or, if occurring after the date of this statement, will be notified to the board of trustees and the EFA.

Mrs H Mullaney
Accounting Officer

The Heath Family (North West) Trustees' Responsibilities Statement

The trustees (who act as governors of The Heath Family (North West) and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 18 December 2013 and signed on its behalf by:

Mr P Cook
Chair of Trustees

The Heath Family (North West)
Independent Auditor's report on the financial statements to the Board
of Trustees of The Heath Family (North West)

We have audited the financial statements of The Heath Family (North West) ("the Academy") for the year ended 31 August 2014 which comprise the statement of financial activities, incorporating the income and expenditure account and statement of total recognised gains and losses, the balance sheet, the cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2013 to 2014. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of The Heath Family (North West) and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the EFA

The Heath Family (North West)
Independent Auditor's report on the financial statements to the Board
of Trustees of The Heath Family (North West)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate and proper accounting records have not been kept in respect of the Academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records; or
- certain disclosures of governor's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to

Mark Sykes (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom
Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number 0C305127).

The Heath Family (North West)
Independent Reporting Accountant's report on regularity to
The Heath Family (North West) and the Education Funding Agency

In accordance with the terms of our engagement letter dated 11 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the year to 31 August 2014 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 Academy and to the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Academy and to the EFA 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 Academy and to the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Academy's funding agreement with the Secretary of State for Education dated 31 December 2012 and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. 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.

The Heath Family (North West)
Independent Reporting Accountant's report on regularity to
The Heath Family (North West) and the Education Funding Agency

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 10 of the Academies Accounts Direction 2013 to 2014.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1: As previously reported to the Education Funding Agency as noted in the Statement on Regularity, Propriety and Compliance, during the prior year and the current year to 31 August 2014, funds were misappropriated from the school fund bank account due to system weaknesses.

Matter 2: Per the financial handbook para 2.5.2, academies must ensure that spending has been for the purpose intended and no trustee, governor, employee or related individual or organisation gains from their position by receiving payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust.

A payment of £1,211.86 to HMRC was paid on behalf of Heath Perform Limited on 14 November 2013. Heath Perform Limited is a company where Heather Mullaney, the Academy's accounting officer is a director. At the year end the amount has not been repaid.

BDO LLP
Chartered Accountants
Liverpool
United Kingdom
Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Heath Family (North West)
Statement of financial activities
for the year ended 31 August 2014

	Un- restricted funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2014	Total 2013	
Note	£'000	£'000	£'000	£'000	£'000	
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income – transfers on conversion	2	282	-	22,933	23,215	-
Activities for generating funds	3	215	-	-	215	26
Investment income	4	1	-	-	1	1
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	161	13,314	73	13,548	6,855
		-----	-----	-----	-----	-----
Total income resources		659	13,314	23,006	36,979	6,882
		-----	-----	-----	-----	-----
Resources expended						
<i>Cost of generating funds:</i>						
Fundraising trading		-	-	-	-	7
Cost of generating voluntary income		270	-	-	270	-
<i>Charitable activities:</i>						
Academy trust educational operations	7	7	13,149	554	13,710	6,838
Governance costs	8	-	101	-	101	17
Local government pension on conversion		-	1,786	-	1,786	-
		-----	-----	-----	-----	-----
Total resources expended	6	277	15,036	554	15,867	6,862
		-----	-----	-----	-----	-----
Net incoming/(outgoing) resources before transfers		382	(1,722)	22,452	21,112	20
Gross transfers between funds	16	(81)	-	81	-	-
		-----	-----	-----	-----	-----
Net income/(expenditure) for the year		301	(1,722)	22,533	21,112	20

The Heath Family (North West)
Statement of financial activities
for the year ended 31 August 2014 (continued)

		Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000	Total 2013 £'000
	Note					
Net income/(expenditure) for the year b/fwd		301	(1,722)	22,533	21,112	20
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	16,26	-	(857)	-	(857)	82
		-----	-----	-----	-----	-----
Net movement in funds		301	(2,579)	22,533	20,255	102
		-----	-----	-----	-----	-----
Reconciliation of funds						
Total funds brought forward at 1 September 2013	16	302	(519)	7,637	7,420	-
		-----	-----	-----	-----	-----
Total funds carried forward at 31 August 2014		603	(3,098)	30,170	27,675	7,420
		-----	-----	-----	-----	-----

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

The Heath Family (North West)

Balance sheet at 31 August 2014

Company number 07614421	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible assets	13		30,170		7,637
Current assets					
Debtors	14	685		133	
Cash at bank and in hand		1,076		519	
		1,761		652	
Liabilities					
Creditors: amounts falling due within one year	15	(844)		(242)	
Net current assets			917		410
Total assets less current liabilities			31,087		8,047
Pension scheme liability	26		(3,412)		(627)
Net assets including pension liability	17		27,675		7,420
Funds of the academy trust					
Restricted funds					
Fixed asset fund	16	30,170		7,637	
General fund	16	314		108	
Pension reserve	16	(3,412)		(627)	
Total restricted funds			27,072		7,118
Unrestricted income funds					
General fund	16	603		302	
Total unrestricted funds			603		302
Total funds			27,675		7,420

The financial statements on pages [15 to 45] were approved by the trustees, and authorised for issue on [date] 2014 and are signed on their behalf by:

Trustee

The Heath Family (North West)
Cash flow statement
for the year ended 31 August 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities	21	357	325
Financing	22	-	(10)
Capital expenditure	23	(82)	(61)
Cash on conversion		282	-
		_____	_____
(Decrease)/increase in cash in the year	24	557	254
		_____	_____
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		557	254
Cash outflow from decrease in debt		11	10
		_____	_____
Change in net funds resulting from cash flows		568	264
Net funds at 1 September 2013		508	-
		_____	_____
Net funds at 31 August 2014		1,076	264
		_____	_____

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014

1 Accounting policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

▪ **Grants Receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

▪ **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 is certainty of receipt and it is measurable.

▪ **Donations**

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

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

1 Accounting policies (continued)

▪ **Other Income**

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

▪ **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

▪ **Costs of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

▪ **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

▪ **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

1 Accounting policies (continued)

Tangible Fixed Assets (continued)

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

- | | |
|------------------------------------|---|
| ▪ Property improvements | 20% straight line |
| ▪ Long leasehold land | Not depreciated |
| ▪ Long leasehold buildings | Over the remaining lease term (The Heath School)
2% straight line (Sir William Stanier and Bridgewater Park) |
| ▪ Fixtures, fittings and equipment | 20% straight line |
| ▪ ICT equipment | 33% straight line |
| ▪ Motor vehicles | 25% straight line |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Leased Assets

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 2 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.

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 Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

1 Accounting policies *(continued)*

Pensions Benefits *(continued)*

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by [the Education Funding Agency/Department for Education/sponsor/other funders] where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

2 Voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Inherited on conversion	282	22,933	23,215	-
	<hr/>	<hr/>	<hr/>	<hr/>
	282	22,933	23,215	-
	<hr/>	<hr/>	<hr/>	<hr/>

3 Activities for Generating funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Hire of facilities	112	-	112	26
Sale of goods and services	20	-	20	-
Catering income	83	-	83	-
	<hr/>	<hr/>	<hr/>	<hr/>
	215	-	215	26
	<hr/>	<hr/>	<hr/>	<hr/>

4 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Short term deposits	1	-	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
	1	-	1	1
	<hr/>	<hr/>	<hr/>	<hr/>

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
DfE/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	11,849	11,849	5,972
Start up grants	-	55	55	-
Capital grants	-	73	73	-
Other DfE/EFA grants	-	849	849	543
	-	12,826	12,826	6,515
Other Government grants				
Local authority grants	-	111	111	-
Other government grants non capital	-	119	119	-
Special educational projects	-	-	-	52
	-	230	230	52
Non - Government income				
Other income	161	188	350	150
School fund income	-	143	143	138
	161	331	492	288
	161	13,387	13,548	6,855

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

6 Resources expended

	Staff costs	Non Pay Expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2014 £'000	2013 £'000
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds	-	-	271	271	-
Academy's educational operations:					
Direct costs	8,659	-	785	9,444	5,043
Allocated support costs	1,724	854	1,687	4,265	1,802
<i>Other resources expended:</i>					
Pension scheme liability on conversion			1,786	1,786	-
	10,383	854	4,529	15,766	6,845
Governance costs including allocated support costs	-	-	101	101	17
	10,383	854	4,630	15,867	6,862

Incoming/outgoing resources for the year include:

	2014 £'000	2013 £'000
Operating leases	49	24
Fees payable to auditor - audit services	22	9
- other services	7	7
	Individual items above £5,000	
	Total	Amount
	£	£
Ex-gratia/compensation payments	10,715	10,715
Write Off of School Fund Balances	15,267	15,267
		Settlement Agreement Misappropriated Cash

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

7 Charitable activities

	Total	Total
	2014	2013
	£'000	£'000
Direct costs – educational operations		
Teach and educational support staff costs	8,659	4,543
Depreciation	-	120
Technology costs	-	24
Educational supplies	378	182
Examination fees	144	90
Staff development	65	31
Educational consultancy	-	28
Other direct costs	198	281
	9,444	5,299
Support costs – educational operations		
Support staff costs	1,724	685
Depreciation	554	12
Technology costs	90	1
Recruitment and support	74	10
Maintenance of premises and equipment	255	164
Cleaning	39	12
Rent and rates	237	126
Energy costs	238	120
Insurance	242	46
Security and transport	2	-
Other support costs	2,596	363
	6,051	1,539
	15,495	6,838
Total direct and support costs	15,495	6,838

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

8 Governance costs

	Total 2014 £'000	Total 2013 £'000
Legal and professional fees	29	-
Auditors' remuneration		
Audit of financial statements	22	9
Other audit costs	50	7
Support staff costs	-	1
Trustees' reimburses expenses	-	-
	101	17
	101	17

9 Staff

	2014 £'000	2013 £'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	8,083	4,011
Social security costs	614	316
Pension costs	1,187	610
	9,884	4,937
Supply staff costs	497	276
Staff restructuring costs	11	14
	10,392	5,227
	10,392	5,227

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,715 (2013: £14,000). The non-statutory/non-contractual payments exceeded £5,000 individually.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

9 Staff (continued)

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014	2013
	No	No
Charitable activities		
Teachers	183	70
Administrations and support	112	50
Management	13	11
	<hr/> 308 <hr/>	<hr/> 131 <hr/>

d. Staff numbers

The number of employees whose emoluments exceeded £60,000 was:

	2014	2013
	No	No
£60,001 - £70,000	6	4
£70,001 - £80,000	1	1
£80,000 - £90,000	1	-
£130,000 - £140,000	1	-
	<hr/> 9 <hr/>	<hr/> 5 <hr/>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £93,767 (2013: £63,197).

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

10 Central Services

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

- financial services;
- educational support services;

The trust charges for these services on the following basis:

- 3% GAG income

The actual amounts charged during the year were as follows:

	2014
	£000
The Heath Academy	184
Bridgewater Park Academy	13
Sir William Stanier Academy	165
	362

11 Related party Transactions – trustees remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

Mrs H Mullaney (Executive Principal)	£150,000 - £155,000 (2013: £125,000 - £130,000)
Mr S Dewhurst (Staff Director)	£75,000 - £80,000 (2013: £60,000 - £65,000)
Mr J Jardine (Principal & Accounting Officer)	£85,000 - £90,000 (2013: £nil)

During the year ended 31 August 2014, travel and subsistence expenses totalling £860 (2013: £nil) were reimbursed to 2 trustees (2013: nil trustees).

Other related party transactions involving the trustees are set out in note 28.

12 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

13 Tangible assets

	Property Improvements £'000	Long leasehold land and buildings £'000	Furniture and equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
<i>Cost or valuation</i>						
At 1 September 2013	8	7,609	129	154	3	7,903
Inherited on conversion	94	22,839	-	-	-	22,933
Additions	8	-	38	85	24	155
Disposals	-	-				
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	110	30,448	167	239	27	30,991
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 1 September 2013	3	137	32	92	2	266
Provided for the year	20	439	37	54	5	555
Disposals	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	23	576	69	146	7	821
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>						
At 31 August 2014	87	29,872	98	93	20	30,170
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2013	5	7,472	97	62	1	7,637
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

14 Debtors

	2014	2013
	£'000	£'000
Trade debtors	75	-
VAT recoverable	301	44
Other debtors	63	-
Prepayments and accrued income	246	87
	<hr/>	<hr/>
	685	131
	<hr/> <hr/>	<hr/> <hr/>

All amounts shown under debtors fall due for payment within one year.

15 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	439	123
Taxation and social security	144	4
Net obligations under finance leases	-	11
Other creditors	99	-
Accruals and deferred income	162	104
	<hr/>	<hr/>
	844	242
	<hr/> <hr/>	<hr/> <hr/>

	2014
	£'000
Deferred income	
Deferred income at 1 September 2013	51
Resources deferred in the year	48
Amounts released from previous years	(51)
	<hr/>
Deferred income at 31 August 2014	48
	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds received in advance school trips for the autumn term 2014.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

16 Funds

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
Restricted general funds					
General Annual Grant (GAG)	(31)	11,849	(11,504)	-	314
School fund	138	143	(281)	-	-
Start up Grant	-	55	(55)	-	-
Other DfE/EFA grants	-	849	(849)	-	-
Other restricted	-	418	(418)	-	-
Transfer from local authority on conversion	1	-	(1)	-	-
Pension reserve	(627)	-	(1,928)	(857)	(3,412)
	<u>(519)</u>	<u>13,314</u>	<u>(15,036)</u>	<u>(857)</u>	<u>(3,098)</u>
Restricted fixed asset funds					
Dfe/EFA capital grants	22	73	(95)	-	-
Capital expenditure from GAG/unrestricted funds	141	-	(141)	81	81
Transfer from local authority on conversion	7,474	22,933	(318)	-	30,089
	<u>7,637</u>	<u>23,006</u>	<u>(554)</u>	<u>81</u>	<u>30,170</u>
Total restricted funds	<u>7,118</u>	<u>36,481</u>	<u>(15,590)</u>	<u>(776)</u>	<u>27,072</u>
Unrestricted funds					
Unrestricted funds	302	659	(277)	(81)	603
Total unrestricted funds	<u>302</u>	<u>498</u>	<u>(277)</u>	<u>(81)</u>	<u>603</u>
Total funds	<u>7,420</u>	<u>36,979</u>	<u>(15,867)</u>	<u>(857)</u>	<u>27,675</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £'000
The Heath Academy	543
Bridgewater Park Academy	44
Sir William Stanier Academy	407
Central services (if applicable)	4
	998
Restricted fixed asset fund	30,089
Pension reserve	(3,412)
Total	27,740

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
The Heath Academy	4,478	694	247	1,229	6,648
Bridgewater Park Academy	200	37	8	61	306
Sir William Stanier Academy	3,980	714	118	2,957	7,769
Central services (if applicable)	-	278	-	247	525
Academy Trust	8,658	1,723	373	4,494	15,248

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	30,170	30,170
Current assets	603	1,158	-	1,761
Current liabilities	-	(844)	-	(844)
Pension scheme liability	-	(3,412)	-	(3,412)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	603	(3,098)	30,170	27,675
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

18 Capital commitments

At 31 August 2014 the academy trust had no capital commitments.

19 Financial commitments

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £'000
Land and buildings		
Expiring within two and five years inclusive	10	22
	10	<hr/> 22
		<hr/> <hr/>
Other		
Expiring with two and five years inclusive	39	1
	<hr/>	<hr/>
	39	1
	<hr/> <hr/>	<hr/> <hr/>

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

20 Reconciliation of net income to net cash inflow from operating activities

	2014	2013
	£'000	£'000
Net income	21,134	20
Cash transferred on conversion to an academy trust	(282)	-
Assets inherited on conversion	(22,933)	-
Depreciation (note 13)	555	132
Capital grants from DfE and other capital income	(73)	-
FRS 17 pension cost less contribution payable (note 27)	72	25
FRS 17 pension finance income (note 27)	70	15
(increase)/decrease in debtors	(552)	63
Increase/(decrease) in creditors	580	68
LGPS deficit pension on conversion	1,786	-
	<hr/>	<hr/>
	357	325
	<hr/> <hr/>	<hr/> <hr/>

21 Financing

	2014	2013
	£'000	£'000
Finance lease repaid	(11)	(10)
	<hr/>	<hr/>

22 Capital expenditure and financial investment

	2014	2013
	£'000	£'000
Purchase of tangible fixed assets	(155)	(61)
Capital grants from DfE/EFA	73	-
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(82)	(61)
	<hr/> <hr/>	<hr/> <hr/>

Cash on conversion

	2014
	£'000
Cash received on conversion from local authority	282

Net cash outflow from cash on conversion

282

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

23 Analysis of changes in net debt

	At 1 September 2013 £'000	Cash flow £'000	At 31 August 2014 £'000
Cash in hand and at bank	519	557	1,076
Debt:			
Finance lease	(11)	11	-
	<u>508</u>	<u>568</u>	<u>1,076</u>

24 Contingent liabilities

For the year ended 31 August 2014 there were no contingent liabilities.

25 Member's liability

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

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

26 Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are 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 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

26 Pension and similar obligations (*continued*)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £501k, of which employer's contributions totalled £390k and employees' contributions totalled £111k. The agreed contribution rates for future years are in the process of being agreed.

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

Principal actuarial assumptions – The Heath	2014	2013
	%	%
Rate of increase in salaries	3.5	5.1
Rate of increase for pensions in payment/inflation	2.7	2.8
Discount rate for scheme liabilities	3.7	4.6
Expected Return on Assets	5.2	5.9
Principal actuarial assumptions – Sir William Stanier	2014	2013
	%	%
Rate of increase in salaries	3.4	3.6
Rate of increase for pensions in payment/inflation	2.6	2.8
Discount rate for scheme liabilities	3.7	4.6
Expected Return on Assets	5.6	5.9
Principal actuarial assumptions – Bridgewater Park	2014	2013
	%	%
Rate of increase in salaries	3.5	3.7
Rate of increase for pensions in payment/inflation	2.7	2.9
Discount rate for scheme liabilities	3.7	4.3
Expected Return on Assets	5.2	5.5

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

<i>Retiring today</i>	2014	2013
Males	22.3yrs	22.9yrs
Females	24.4yrs	25.7yrs
<i>Retiring in 20 years</i>		
Males	24.1yrs	24.9yrs
Females	26.7yrs	27.7yrs

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The Heath Academy	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000
Equities	6.3	1,452	6.6	1,544
Bonds	3.4	509	3.5	268
Property	4.5	170	4.7	123
Cash/liquidity	3.3	291	3.6	123
		<hr/>		<hr/>
		2,422		2,058
Total market value of assets				
Present value of scheme liabilities				
Funded		(3,479)		(2,685)
		<hr/>		<hr/>
Surplus/(deficit) in the scheme		(1,057)		(627)
		<hr/>		<hr/>

The actual return on scheme assets was £275,000 (2013: £243,000).

Sir William Stanier	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000
Equities	6.3	859	6.6	566
Bonds	2.9	164	3.5	101
Property	4.5	82	4.7	54
Cash/liquidity	3.3	70	3.6	54
		<hr/>		<hr/>
		1,175		775
Total market value of assets				
Present value of scheme liabilities				
Funded		(3,425)		(2,482)
		<hr/>		<hr/>
Surplus/(deficit) in the scheme		(2,250)		(1,707)
		<hr/>		<hr/>

The actual return on scheme assets was £118,000.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Bridgewater Park	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000	Expected return at 31 March 2014 %	Fair value at 31 March 2014 £'000
Equities	6.3	93	6.6	82
Bonds	3.4	32	3.5	27
Property	4.5	11	4.8	10
Cash/liquidity	3.3	18	3.7	18
		<hr/>		<hr/>
		154		137
Total market value of assets				
Present value of scheme liabilities				
Funded		(259)		(216)
		<hr/>		<hr/>
Surplus/(deficit) in the scheme		(105)		(79)
		<hr/> <hr/>		<hr/> <hr/>

The actual return on scheme assets was £8,000.

Amounts recognised in the statement of financial activities	2014 £'000	2013 £'000
Current service cost (net of employee contributions)	(462)	(169)
Interest cost	(254)	-
	<hr/>	<hr/>
Total operating charge	(716)	(169)
	<hr/>	<hr/>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	184	83
Interest on pension liabilities	-	(98)
	<hr/>	<hr/>
Pension finance income/(costs)	(532)	(15)
	<hr/> <hr/>	<hr/> <hr/>

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,162,000 loss (2013: £304,000 loss).

Movements in the present value of defined benefit obligations were as follows:	2014	2013
	£'000	£'000
At 1 September	2,685	2,295
Inherited on conversion	2,698	-
Current service cost	462	169
Interest cost	254	98
Employee contributions	111	46
Actuarial (gain)/loss	957	77
Benefits paid	(4)	-
	<hr/>	<hr/>
At 31 August	7,163	2,685
	<hr/> <hr/>	<hr/> <hr/>
Movements in the fair value of academy's share assets:	2014	2013
	£'000	£'000
At 1 September	2,058	1,628
Inherited on conversion	912	-
Expected return on assets	184	83
Actuarial (gain)/loss	100	159
Employer contributions	390	142
Employee contributions	111	46
Benefits paid	(4)	-
	<hr/>	<hr/>
At 31 August	3,751	2,058
	<hr/> <hr/>	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £452,000.

The Heath Family (North West)
Notes forming part of the financial statements
for the year ended 31 August 2014
(continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The five-year history of experience adjustments is as follows:

	2014	2013	2012
	£'000	£'000	£'000
Presented value of defined benefit obligations	(7,163)	(2,685)	(2,295)
Fair value of share of scheme assets	3,751	2,058	1,628
	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(3,412)	(627)	(667)
	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme assets			
Amount £'000*	100	159	46
Experience adjustments on scheme liabilities			
Amount £'000*	(407)	nil	nil

27 Related party transactions

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

The following related party transactions took place in the period of account:

P Cook, a governor, is also a director and shareholder of SOG Ltd. During the year, SOG Ltd invoiced The Heath School £4,758.95 for services during the year.

A payment of £1,211.86 to HMRC was paid on behalf of Heath Perform Limited on 14 November 2013. Heath Perform Limited is a company where Heather Mullaney, the Academy's accounting officer is a director. At the year end the amount has not been repaid.