

**HEALTHY LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



**Haines Watts**

Chartered Accountants & Registered Auditors  
Bridge House  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# HEALTHY LEARNING TRUST

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# HEALTHY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

June Reilly (Resigned 1 September 2017)  
Dave Richardson (Resigned 1 September 2017)  
Mrs C Atkinson (Resigned 1 September 2017)  
Tony Field  
Anthony Burke \* (Vice Chair)  
Helen Wiles (Resigned 1 September 2017)  
Simon Knott (Resigned 1 September 2017)  
Graeme Dymond (Resigned 1 September 2017)  
Tara Green (Resigned 1 September 2017)  
Leo Pyrah  
Bill Watkin (Appointed 1 September 2017)  
John Byrne \* (Appointed 1 September 2017)  
Ged Byrne (Chair) (Appointed 1 September 2017)  
Damian Dallimore (Appointed 1 September 2017)  
Natalie Harling (Appointed 1 September 2017)  
Alison Oliver \* (Appointed 1 September 2017)  
Elizabeth Steel  
Julie Hazeldine \*

\* Member of the Business and Finance Committee

### Members

Elizabeth Steel  
Ged Byrne (Chair of trustees)  
John Byrne  
Bernie Jones  
Tim Gartside

### Senior management team

- Headteacher	J Hazeldine
- Deputy Headteacher	D Trussell
- Deputy Headteacher	S Schofield
- Assistant Headteacher	T O'Halloran
- Assistant Headteacher	D Tedford
- Assistant Headteacher	N Wilson
- Assistant Headteacher	N Coultas
- Assistant Headteacher	P Eager
- Assistant Headteacher	S Powell
- Director of Finance	P Deakin

### Company registration number

07691820 (England and Wales)

### Registered office

c/o Flixton Girls' School  
Flixton Road  
Flixton  
Manchester  
M41 5DR

# HEALTHY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

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### Independent auditor

Haines Watts  
Bridge House  
Ashley Road  
Hale  
Altrincham  
WA14 2UT

### Bankers

Lloyds Bank  
223 Finney Lane  
Heald Green  
Cheshire  
SK8 3PY

### Solicitors

Browne Jacobson LLP  
44 Castle Gate  
Nottingham  
Nottinghamshire  
NG1 7BG

# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2018*

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in North Trafford. It has a pupil capacity of 960 and had a roll of 929 in the school census on 6 October 2018.

The trust became a multi academy trust on 1 September 2017, but currently only operates with a single academy, Flixton Girls' School.

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

##### Constitution

The academy trust is a company limited by guarantee (company number 07691820) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Healthy Learning Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year are included in the reference and administrative details on page 1.

The registered office of the academy trust is Flixton Road, Flixton, Manchester, M41 5DR.

The company changed its name from 'Flixton Girls' School Academy Trust' to 'Healthy Learning Trust' on 22 August 2017.

##### 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

In accordance with normal commercial practice, the academy has purchased trustees' indemnity insurance to protect from claims arising from negligence, errors or omissions occurring whilst on academy business.

##### Method of recruitment and appointment of trustees

Trustees are recruited to fill identified skills gaps from existing networks and using existing trustee banks. Potential trustees will undergo a selection process to ensure a correct fit of skills and values, usually consisting of an interview with the Chair of trustees. Once a potential trustee is identified the members will be asked to consider the proposal and make the appointment accordingly.

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

Newly appointed trustees meet initially with the chair and executive who introduce them to the trust and explain the responsibilities. An induction pack is provided. Training needs are identified throughout the year, and trustees will be offered training where appropriate. Trustees receive internal information and specific presentations from senior leaders and key staff. HLT is also a registered member of the National Governors' Association.

##### Organisational structure

The governance of the trust is defined in the memorandum and articles of association together with the funding agreement with the Department for Education.

All trustees are members of the full board of trustees. In addition, some trustees are members of sub committees which report to the full board of trustees.

# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

The board of trustees meet each school term to receive reports from the executive, its sub-committees and manage its strategic objectives.

There are three sub committees:

- **Resources**  
Committee purpose: To support the board of trustees in the achievement of the academy's objectives through sound planning and management and effective use and safeguarding of the academy's financial and other resources. To monitor and review related policies.
- **Standards**  
Committee purpose: to advise the board on matters relating to the trust's quality and standards across the Five Pathways of Academic, Physical, Nutritional, Emotional and Social/Moral Health. To monitor and review related policies.
- **Audit**  
Committee purpose: to ensure that there is a framework for accountability; to examine and review all systems and methods of control both financial and otherwise including risk analysis and risk management; to ensure the charity is complying with all aspects of the law, relevant regulations and good practice.

A remuneration committee meets to consider central trust executive pay.

In addition each school has its own local governing body whose purpose is to:

- support the trust in pursuit of its vision and overall aims
- promote high standards ensuring that students attend a successful academy
- challenge and support the head of school with regard to academic performance, quality of care and provision
- have strategic oversight of the day to day running of the academy including safety and well-being
- manage the finance of the academy in so far as it has been delegated
- develop effective communication channels with all stakeholders

The day to day management of the trust is delegated to the chief executive officer, who has appointed a strategic team to advise on day to day responsibilities.

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

On appointment salary levels are set according to

- STPCD for school leadership posts
- External benchmarking for central trust posts

Pay reviews are carried out annually with reference to outcomes of appraisal processes. For heads of schools and central trust posts, the review is undertaken by the CEO (with the support of the Local Governing Body if applicable), for the CEO the remuneration committee undertakes the review.

#### Trade union facility time

Relevant union officials:

Number of employees who were relevant union officials during the period	FTE
	1

# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

% time spent on facility time:

% of time	Number of employees
0%	1

% of total pay paid on facility time:

Total cost of facility time	0
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Paid trade union activities:

Time spent on paid trade union activities as a % of total paid facility time hours	0 (None Paid)
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### Related parties and other connected charities and organisations

#### The Sixth Form Partnership with Trafford College

The trust works in partnership with Trafford College in delivering 6<sup>th</sup> form provision on the FGS site. Trafford College is the provider and has a formal agreement with HLT to deliver the provision.

#### Youth Sport Trust (YST)

Alison Oliver, CEO of Youth Sport Trust, is a trustee of HLT. YST is a national children's charity passionate about creating a future where every child enjoys the life-changing benefits that come from play and sport. They are on a mission to pioneer new ways of using sport to improve children's wellbeing and give them a brighter future. YST does this through the delivery of paid for programmes and memberships. HLT delivers some of this on behalf of YST and purchases membership from YST.

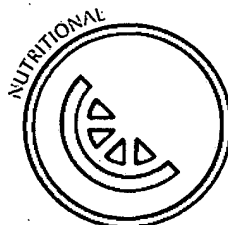
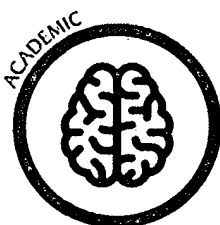
#### Outward Bound

Natalie Harling, Director of Business Development at Outward Bound Trust, is a trustee of HLT. The Outward Bound Trust is an educational charity that uses the outdoors to help develop young people from all walks of life. HLT purchases provision from The Outward Bound Trust.

### **Objectives, strategies and activities**

#### **Our Vision**

The Healthy Learning Trust empowers young people to enhance their own lives and the lives of others through our 5 HEALTH & WELL-BEING PATHWAYS to SCHOLARSHIP. We secure strategic partnerships with NHS, Universities and Health and Well-being providers to create opportunities for health-related career progression.



***...scholarship through health and well-being...***

# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Our Values

**HOLISTIC:** HLT believes in the inter-connectedness of 5 key aspects of human life and that optimising performance across all leads to successful, healthy lives.

**INCLUSIVE:** HLT is relentless in the seeking out and removal of barriers to deliver equality of access and entitlement to a successful, healthy future for all.

**ALTRUISTIC:** HLT promotes the selfless pursuit of service to others for the future benefit of children, families and communities and recognises the contribution of public duty to society.

The board of trustees is responsible for the conduct of the trust and for promoting high standards and aims to ensure that all students are attending successful schools, which provide them with a good education and supports their well-being. All trustees and employees of the trust are committed to the Nolan Principles of Public Life:

### **SELFLESSNESS:**

Trustees and employees act solely in terms of the public interest. They do not act in order to gain financial or other material benefits for themselves, their family, or their friends.

### **INTEGRITY:**

Trustees and employees do not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

### **OBJECTIVITY:**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits trustees and employees make choices on merit.

### **ACCOUNTABILITY:**

Trustees and employees are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **OPENNESS:**

Trustees and employees are as open as possible about all the decisions and actions that they take. They give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **HONESTY:**

Trustees and employees have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **LEADERSHIP:**

Trustees and employees promote and support these principles by leadership and example.

The Healthy Learning Trust has a strategic intent to deliver high quality education across all phases. In 2017-2018 the trust had one school within the trust, Flixton Girls School and a partnership with over 20 primary schools through the HLT School Sports Partnership.

HLT also provides school to school support through the HLT Education Consultancy. This is made up of a number of specialists who have been deployed to support a range of schools in varying contexts.

HLT has strategic partnerships with key organisations which secures excellent opportunities for all HLT students. These include the NHS, The Youth Sport Trust, the Outward Bound Trust and Trafford College. A confident and creative approach to strategic leadership and effective, beneficial partnerships such as the Sixth Form partnership with Trafford College has led to outstanding outcomes for students. This is testament to the values led and principled approach to school leadership alongside confident and robust governance.



# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The HLT curriculum delivers the knowledge, skills and understanding in a manner designed to optimise student health across our 5 pathways. The curriculum design and curriculum structures also take account of teacher health and well-being and working conditions for teachers and aim to provide an environment for success. HLT takes account of research and recommendations from key sources including the DfE, Teaching Unions, HEE, Public Health, Ofsted in order to secure a curriculum which provides ***scholarship through health and well-being***.

The HLT curriculum design reflects the values of HLT. Whilst providing curriculum breadth, depth and reach, it also especially prepares students with the knowledge, skills, abilities and attributes required for progression into health and well-being related careers.

### ACADEMIC HEALTH

Research shows that the best academic performance is achieved through securing the best possible conditions for optimum brain performance and this involves five areas of our lives: academic health, emotional health, nutritional health, physical health and social/moral health: these make up our 5 PATHWAYS to a healthy future. Good nutrition and physical activity, together with positive social activity provide the best possible conditions for healthy brain function: combined with excellent guidance on the best methods for learning and a diverse curriculum this leads to optimum ACADEMIC HEALTH.

### PHYSICAL HEALTH

Human beings are 'designed to move' and we know that healthy physical activity releases positive hormones into our bodies improving our mental/emotional health as well as preventing illness and disease: good physical activity habits developed early lead to better health throughout our lives.

At HLT physical activity is combined with a vast array of opportunities for positive social interaction developing experience and skills in leadership and teamwork through coaching and reflection. Such activities also help to develop resilience, determination and a positive mind-set.

### NUTRITIONAL HEALTH

"We are what we eat!" At HLT we understand that human performance is at its best through good nutrition. Educating our students to make healthy choices includes: understanding how to prepare nutritious meals; to develop healthy eating habits leading to a sense of well-being, self-confidence and high levels of concentration. Through our curriculum we ensure that students understand the nature of good nutrition. We also consider the wider social and ethical issues around food production in a local and global context.

### EMOTIONAL HEALTH

Research shows us that good nutrition and physical activity, together with positive social activity and keeping our brains active leads to good mental/emotional health. At HLT we strive to deliver a wealth of experiences encouraging healthy habits. Beyond this we have a dedicated team of professionals and strong partnerships with external agencies supporting our students through a compassionate and empathetic approach enabling our students to maintain a focus on their academic studies through the many challenges they will face on their journey to adulthood.

### SOCIAL & MORAL HEALTH

HLT students of today are the leaders of tomorrow. Not only is it vital for good mental/ emotional health to engage in positive social activity, but also for the health of our future society. Great social skills alongside a strong moral compass will guide our students' future decisions and actions protecting and empowering themselves, their families and their communities. A commitment to developing the concept of 'service beyond self' includes all students taking part in charity and community projects to ensure a deep and personal understanding of the challenges faced by others and our duty as good citizens to protect and serve others through our own thoughts, actions and deeds. At HLT we celebrate diversity, encourage understanding of difference and the right to express ourselves responsibly and respectfully.

# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Public benefit

The members and trustees of the Healthy Learning Trust have put the principle of public benefit at the heart of their mission and this is articulated through their values.

In support of the HLT values, FGS Ofsted inspection in 2018 noted:

***Pupils' spiritual, moral, social and cultural education is good. Pupils tackle key aspects of fundamental British values, for example by exploring and discussing contemporary issues in depth and with sensitivity. As a result, pupils say that difference is recognised and valued and that they enjoy positive relationships with one another. They say that bullying is infrequent, and that it is typically dealt with effectively.***

The trust is outward facing and works with a number of national and local partners to provide a richness of opportunity and experience for staff and students. The headteacher/CEO of HLT is the chair of the Trafford Secondary Headteacher Forum and FGS hosts the Trafford Secondary Schools Safeguarding Forum. FGS sits on the Complex Safeguarding Phoenix group in Greater Manchester. The CEO is a national Headteacher Ambassador for the Youth Sport Trust and serves on the Education Steering Committee for the Outward Bound Trust.

In addition to this national work the trust has been a strategic partner in the Teaching Schools Alliance with Altrincham Girls Grammar School. This work enables our staff to share their expertise and support other schools in the North West through the HLT Education Consultancy. In 2018/2019 this work has transferred to the Loreto Teaching School Alliance.

The trust has a commitment to the community. HLT staff and students are proud of their school and benefit from our deep commitment to traditional standards, courtesy and respect. Supporting the local community is part of the ethos at HLT schools, this includes:

- HLT school facilities used to support community use and policies ensure optimum use of the school facilities outside of formal school hours and term times
- HLT curriculum policy promotes public duty and charitable work on a local school level especially in supporting vulnerable members of the school and local community such as the elderly, homeless or those in financial difficulty or food and period poverty.

The Healthy Learning Trust School Sports Partnership (SSP) has been working in collaboration with The Dean Trust Ashton on Mersey since 2005. HLT SSP aims to ensure that all young people across the borough have access to high quality PE and school sport in order to help create and sustain a sporting legacy within schools across Trafford. Funding from the YST covers approximately 50% staff costs for this provision.

The School Sport Partnership does this by working alongside schools to:

- Deliver the Government's national strategy for school sport – 'The School Games' across all schools at the local level in Trafford.
- Raise standards in Physical Education and offer guidance to all schools in Trafford to help them deliver and achieve High Quality PE.
- Deliver a comprehensive programme of competitive, non-competitive and fully inclusive school sport opportunities for all school aged children in Trafford presenting them with the opportunity to achieve and excel.
- Support primary schools in investing their Sport Premium funding to obtain maximum benefit to curriculum PE, extra-curricular school sport, their pupils and staff.
- Promote and encourage health and physical activity initiatives for all school aged children across the borough.

The HLT School Sport Partnership membership is open to all infant, junior and primary schools in Trafford and is continuously evolving to help meet and address the needs of these schools.

# HEALTHY LEARNING TRUST

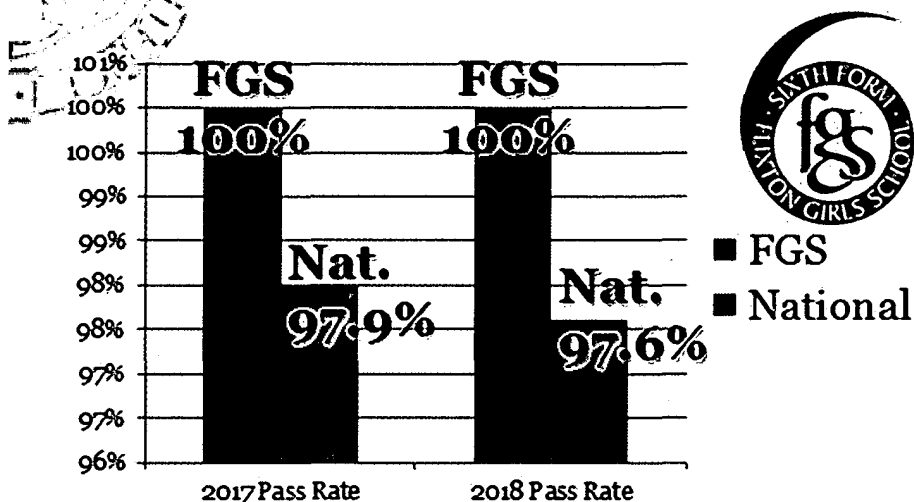
## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### Achievements and performance

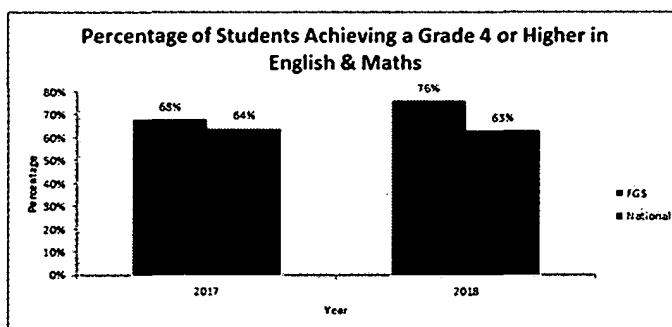
During 2017-18 there was one school within HLT, being Flixton Girls School. The following achievements relate to FGS.

## FGS v National A Level Passes



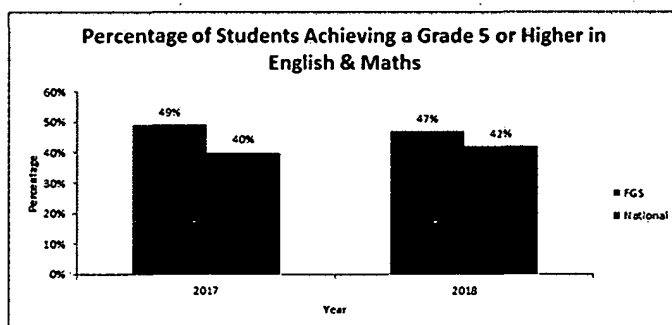
### Percentage of students achieving a Grade 4 or higher in GCSE English and Maths

% 4+ in Eng & Maths		
	FGS	National
2016		
2017	68%	64%
2018	76%	63%



### Percentage of students achieving a Grade 5 or higher in GCSE English and Maths

% 5+ in Eng & Maths		
	FGS	National
2016		
2017	49%	40%
2018	47%	42%



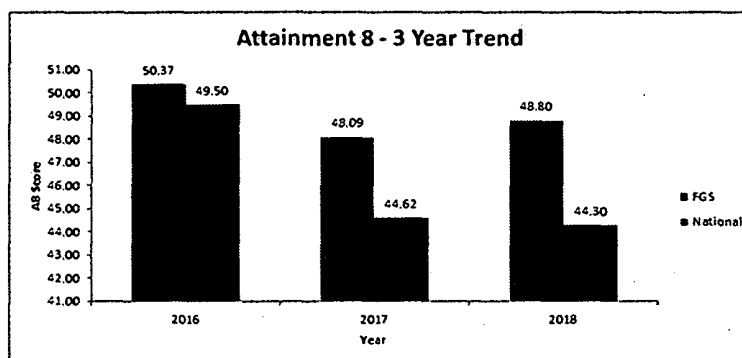
# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

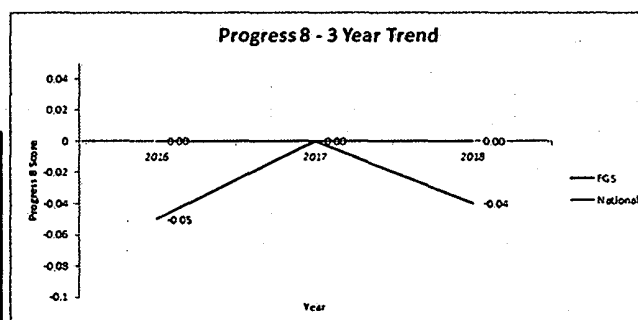
#### Attainment 8 (KS4)

Attainment 8		
	FGS	National
2016	50.37	49.50
2017	48.09	44.62
2018	48.80	44.30



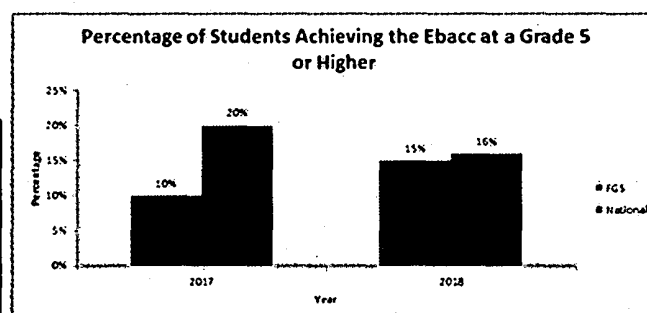
#### Progress 8 (KS4)

Progress 8		
	FGS	National
2016	-0.05	0.00
2017	0.00	0.00
2018	-0.04	0.00



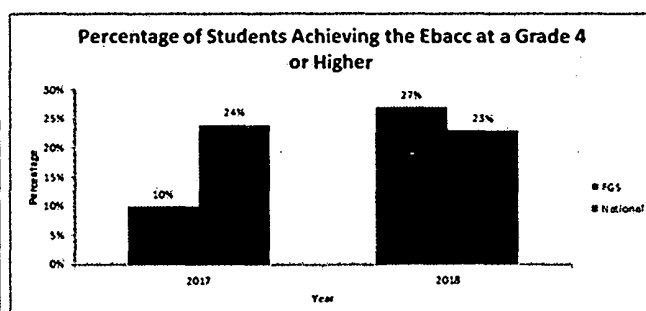
#### Percentage of Students Achieving the Ebacc at a Grade 5 or Higher (KS4)

% Achieving Ebacc 5+		
	FGS	National
2016		
2017	10%	20%
2018	15%	16%



#### Percentage of students achieving the Ebacc at a Grade 4 or higher (KS4)

% Achieving Ebacc 4+		
	FGS	National
2016		
2017	10%	24%
2018	27%	23%



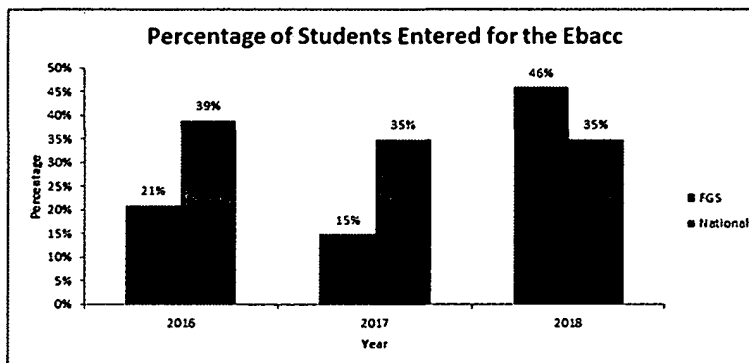
# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### Percentage of students entered for the Ebacc

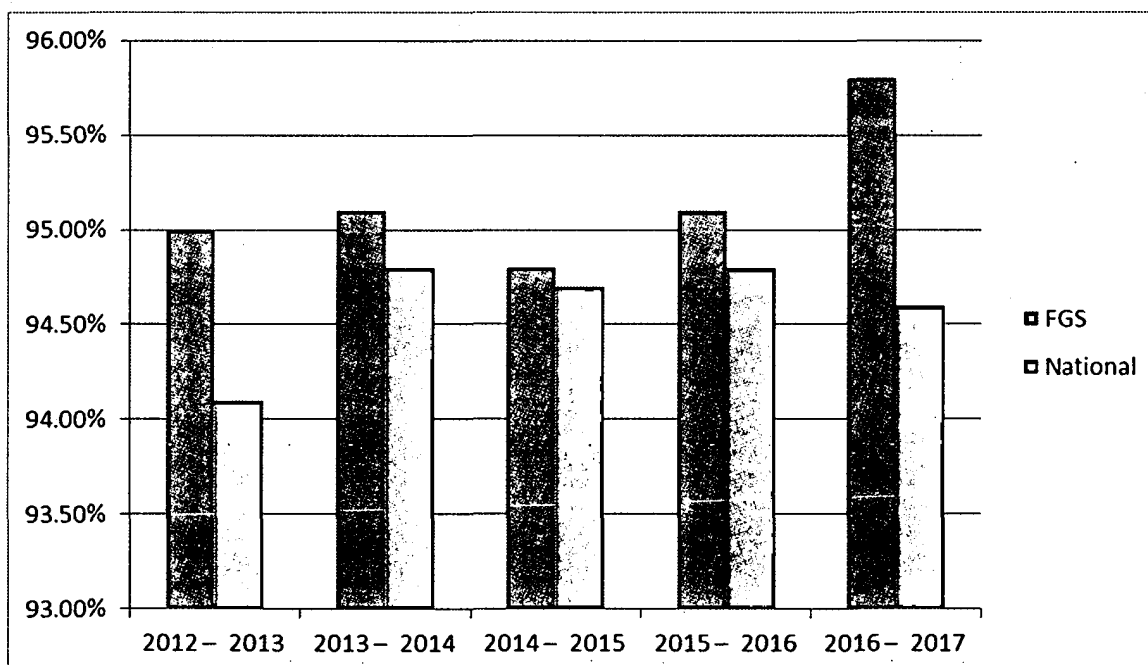
% Entering Ebacc		
	FGS	National
2016	21%	39%
2017	15%	35%
2018	46%	35%



#### Attendance

Whole school attendance has risen steadily from 89% in 2007 to nearly 96% in 2017 with a steady and significant decrease in those 'persistently absent'.

Historical annual attendance figures	FGS	National
September 2016 – July 2017	95.8%	94.6%
September 2015 – July 2016	95.1%	94.8%
September 2014 – July 2015	94.8%	94.7%
September 2013 – July 2014	95.1%	94.8%
September 2012 – July 2013	95.0%	94.1%



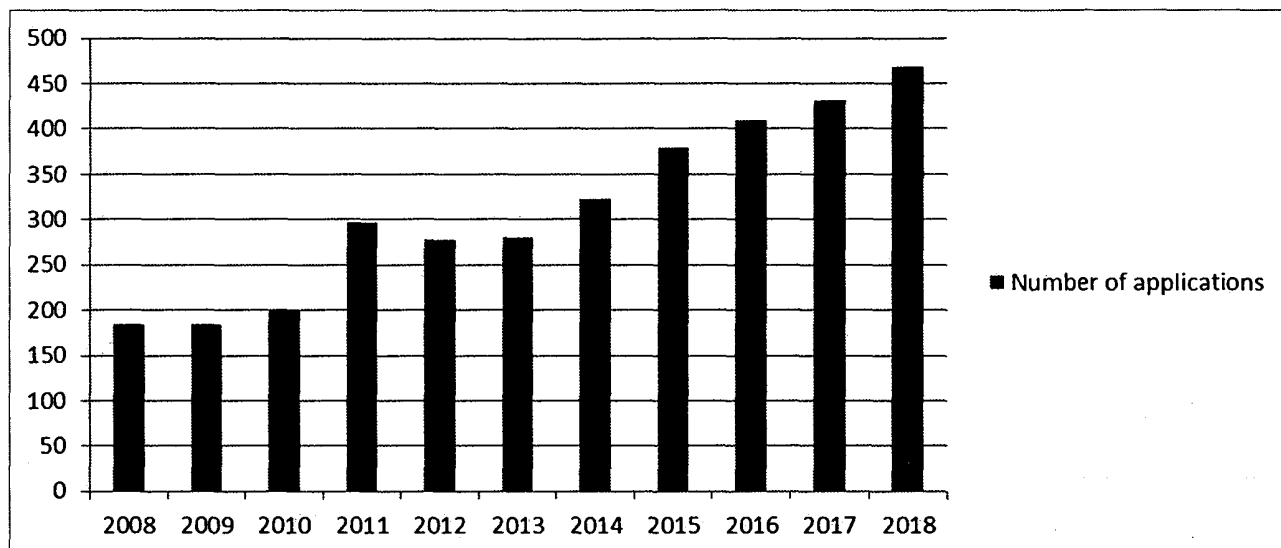
# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

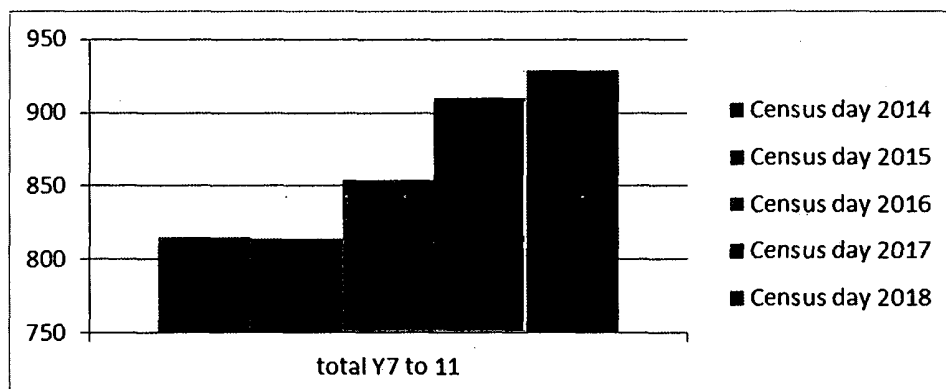
### FGS Pupil recruitment/applications for places

The graph below shows the number of applications to FGS over the past 10 years.



### FGS Pupil numbers

Year	Census day 2014	Census day 2015	Census day 2016	Census day 2017	Census day 2018
Year 7	186	192	180	208	193
Year 8	169	180	195	185	206
Year 9	145	159	179	192	181
Year 10	144	142	162	170	179
Year 11	171	141	138	155	170
<b>Totals</b>	<b>815</b>	<b>814</b>	<b>854</b>	<b>910</b>	<b>929</b>



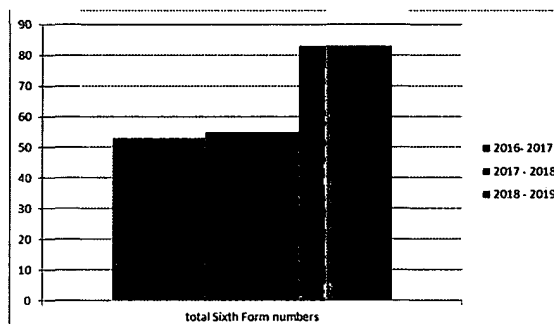
# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### FGS Sixth Form recruitment

	2016-17	2017-18	2018-19
Yr 12&13	53	55	83



#### Key performance indicators

The balance available in unrestricted funds as at 31 August 2017 was £57,000. This balance has grown during the period ending 31 August 2018. The balance in unrestricted funds as at 31 August 2018 was £65,000.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

#### Financial review

The academy's main source of income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants are calculated based on pupil numbers recorded on the census in October of the previous academic year. The ESFA grants and the associated expenditure for the year ended 31 August 2018 are shown as restricted funds in the financial statements.

The academy also receives the Pupil Premium Grant from the ESFA, calculated based on students registered for free school meals both at present and during the last six years. Additional funding is received from Trafford Council to support the students identified as high needs with an education, health and care plan. Such grants are also shown in the financial statements as restricted income.

During the year ended 31 August 2018, the expenditure exceeded the grant income being supported by additional funding from other trading activities. The trustees examine the financial health formally every half term, reviewing performance against budgets and overall expenditure. Regular financial reports are produced for the Resources Committee meetings and these are reported to the trustees' termly meetings.

The total amount of funds held as at 31 August 2018 is £7,090,000 which is made up of restricted fixed asset funds £7,667,000, pension deficit (£642,000) and unrestricted funds £65,000.

The principal financial management procedures and policies adopted by the academy are outlined in the 2017 Academies Financial Handbook and the Flixton Girls' School Financial Procedures Manual.

#### Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. Although the trustees have determined that the appropriate level of free reserves should be equivalent to 1 month of the GAG, approximately £343,000, this has been restricted by the deficit in previous years and the funding reductions due to the falling pupil numbers and lagged funding. The considered reserves would create 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 balance on restricted general funds (excluding pension reserve) at 31 August 2018 is zero plus the balance on unrestricted funds of £65,000. The total funds as at 31 August 2018 are £7,090,000.

# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Investment policy

The trustees aim is to spend the public monies for the direct education and benefit of students as soon as is prudent and to ensure that funds which the academy does not immediately need to cover anticipated expenditure, are invested in such a way as to maximise income but without risk by:

- Ensuring adequate cash balances are maintained in the current account to cover day to day working requirements.
- Taking professional investment advice about the most suitable investments.
- Seeking the maximum return consistent with commercial prudence when considering the investment of funds.
- Ensuring there is no risk of loss in capital value of any cash funds invested.
- Protecting the capital value of any invested funds against inflation.
- Reviewing the performance of investments.
- Optimising returns on invested funds.

Regular cash flow reports are prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Resources Committee.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk.

#### Principal risks and uncertainties

The Healthy Learning Trust has created a risk register and risk review process. The objective is to determine an approach and, where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The academy has recognised its share of the local government pension scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 102. A deficit has been recognised and future contribution rates are adjusted so as to reduce this deficit.

#### **Fundraising**

Any fundraising the trust undertakes for the benefit of national charities or the school fund is completely optional. This is always shared with the school community through letters and other forms of social media. The trust has not received any complaints relating to this fundraising over the 2017-18 period.

The trust, through the governing board, has agreed only to support legally recognised charities locally and/or nationally. Which charities are supported is reviewed each year and a limit of charities supported is agreed for each term of the academic year. Monies raised are recorded and can be checked if requests are made.

#### **Plans for future periods**

Going forward HLT aims to grow its influence on young people's lives through:-

- Increase the number of good or outstanding schools in the MAT to increase the capacity to support schools in need of support
- Take into the MAT schools in need of support to use the HLT vision to secure progress in those schools
- Take into the MAT primary schools to increase the range of children HLT can influence
- Develop the support available to schools through the HLT Schools Sport Partnership
- Develop the support available to schools in need of support outside of the MAT



# HEALTHY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

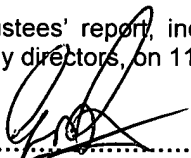
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### **Auditor**

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.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2018 and signed on its behalf by:

  
.....  
**Ged Byrne**  
**Chair of trustees**

# HEALTHY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Healthy Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees met formally 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ged Byrne	3	4
Anthony Burke	4	4
Elizabeth Steel	4	4
Tony Field	1	4
Leo Pyrah	4	4
Bill Watkin	3	4
John Byrne *	2	4
Damian Dallimore	2	4
Natalie Harling	1	4
Alison Oliver *	2	4
Julie Hazeldine *	4	4

The Resources Committee met formally 2 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
John Byrne	2	2
Alison Oliver	2	2
Anthony Burke	2	2
Julie Hazeldine	1	2

### Review of value for money

As accounting officer the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

# HEALTHY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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- Increasing the number of students in the sixth form to deliver greater economies of scale
- Increasing the number of schools within the Schools Sport Partnership to increase the income stream
- Accessing external sources of funding to make best use of the schools existing facilities
- Increasing the income from lettings to ensure greater return on the assets of the trust
- Developing a forensic approach to business in the catering section to ensure the maximum return from the existing customer base
- Creating opportunities through networking for the trust to generate income through school to school support
- Commissioning internal reviews of financial controls and of governance to ensure the trust has checks and balances in place

### **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 academy trust'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 Healthy Learning Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The strategic leadership team is involved in the risk management process considering the strategic risks throughout the year identified in the risk register. Staff are encouraged to manage risks in a way appropriate to their authority and duties.

The board of trustees regularly review the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

The academy takes a proactive and comprehensive approach to risk management and the CEO reports termly to the board of trustees on all identified risks including pupil numbers, health and safety and site and buildings as well as rigorous financial reporting.

The academy has enlisted the support of external consultants to procure maximum investment from the Capital Improvement Fund. This has permitted a significant investment in the buildings to ensure a safe and functional working environment.

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 board of trustees;
- regular reviews by the Resources 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RSM as internal auditor. During the year, whilst the new internal audit arrangement came into place, a further check was undertaken by Haines Watts.

# HEALTHY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The internal auditor reports to the board of trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

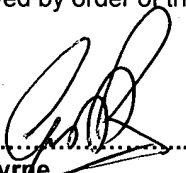
### **Review of effectiveness**

As accounting officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

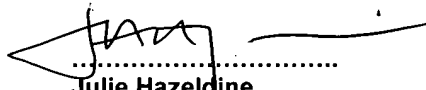
- the work of the internal auditor;
- the work of the external auditor;
- the work of the chief finance officer;
- the work of the leadership and management within the academy trust; and
- the work of the Resources Committee.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses, if relevant, and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2018 and signed on its behalf by:



.....  
**Ged Byrne**  
Chair of trustees



.....  
**Julie Hazeldine**  
Accounting officer

# **HEALTHY LEARNING TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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As accounting officer of Healthy Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.



.....  
**Julie Hazeldine**  
**Accounting officer**

Date: 11 December 2018

# HEALTHY LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

The trustees (who are also the directors of Healthy Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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:

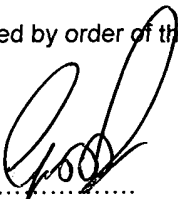
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 11 December 2018 and signed on its behalf by:



Ged Byrne  
Chair of trustees

# HEALTHY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHY LEARNING TRUST

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Opinion

We have audited the accounts of Healthy Learning Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 2018 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 2015 and the Academies Accounts Direction 2017 to 2018.

### 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

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

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

### 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. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# HEALTHY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHY LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

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

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

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

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

### **Responsibilities of trustees**

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

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

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

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

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



# HEALTHY LEARNING TRUST

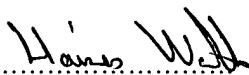
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHY LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Use of our report

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



**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 

# HEALTHY LEARNING TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HEALTHY LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

***FOR THE YEAR ENDED 31 AUGUST 2018***

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In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Healthy Learning Trust during the period 1 September 2017 to 31 August 2018 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 Healthy Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Healthy Learning Trust 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 Healthy Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Healthy Learning Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Healthy Learning Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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.

# HEALTHY LEARNING TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HEALTHY LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

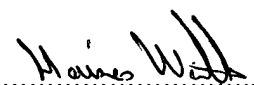
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The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Haines Watts**  
**Reporting Accountant**

Date: 11 December 2018

# HEALTHY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2018 £(000)	Total 2017 £(000)
<b>Income and endowments from:</b>						
Donations and capital grants	3	20	208	242	470	535
Charitable activities:						
- Funding for educational operations	4	-	4,536	-	4,536	4,353
Other trading activities	5	594	-	-	594	470
<b>Total income and endowments</b>		<u>614</u>	<u>4,744</u>	<u>242</u>	<u>5,600</u>	<u>5,358</u>
<b>Expenditure on:</b>						
Raising funds	6	237	-	-	237	169
Charitable activities:						
- Educational operations	7	113	5,262	174	5,549	5,369
<b>Total expenditure</b>	6	<u>350</u>	<u>5,262</u>	<u>174</u>	<u>5,786</u>	<u>5,538</u>
<b>Net income/(expenditure)</b>		264	(518)	68	(186)	(180)
Transfers between funds		(256)	254	2	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	18	-	547	-	547	1,733
<b>Net movement in funds</b>		8	283	70	361	1,553
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>57</u>	<u>(925)</u>	<u>7,597</u>	<u>6,729</u>	<u>5,176</u>
Total funds carried forward		<u>65</u>	<u>(642)</u>	<u>7,667</u>	<u>7,090</u>	<u>6,729</u>


# HEALTHY LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£(000)	£(000)
<b>Fixed assets</b>			
Tangible assets	11	7,636	7,503
<b>Current assets</b>			
Stocks	12	38	38
Debtors	13	279	184
Cash at bank and in hand		200	362
		517	584
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(421)	(433)
<b>Net current assets</b>		96	151
<b>Net assets excluding pension liability</b>		7,732	7,654
Defined benefit pension scheme liability	18	(642)	(925)
<b>Net assets</b>		7,090	6,729
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	16		
- Fixed asset funds		7,667	7,597
- Pension reserve		(642)	(925)
<b>Total restricted funds</b>		7,025	6,672
<b>Unrestricted income funds</b>	16	65	57
<b>Total funds</b>		7,090	6,729

The accounts were approved by the board of trustees and authorised for issue on 11 December 2018 and are signed on its behalf by:

  
 G Byrne  
 Chair of trustees

Company Number 07691820

**HEALTHY LEARNING TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	2018 £(000)	2017 £(000)
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(97)	(45)
<b>Cash flows from investing activities</b>			
Capital grants from DfE and ESFA		242	107
Capital funding from sponsors and others		-	159
Payments to acquire tangible fixed assets		(307)	(163)
		(65)	103
<b>Change in cash and cash equivalents in the reporting period</b>		(162)	58
Cash and cash equivalents at 1 September 2017		362	304
<b>Cash and cash equivalents at 31 August 2018</b>		200	362

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

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

##### 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Healthy Learning Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

###### Grants receivable

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 year for which it is receivable, and any abatement in respect of the year is deducted from income and recognised as a liability.

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

###### 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.

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

##### 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Where the donated good is a fixed asset it is 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.

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.



# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

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:

Land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	7 to 20 years straight line

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

#### 1.6 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.

#### 1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of required to settle the obligation. Where the effect of value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.8 Leasing and hire purchase commitments

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

#### 1.9 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.10 Stock

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

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **1 Accounting policies**

#### **1.11 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.

#### **1.12 Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit 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 operating surplus 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.

#### **1.13 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 Education and Skills Funding Agency/Department for Education.

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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

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

##### Critical accounting estimates and assumptions

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

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 18, 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 2018. 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 £(000)	Restricted funds £(000)	Total 2018 £(000)	Total 2017 £(000)
Private sponsorship	-	208	208	243
Capital grants	-	242	242	107
Other donations	20	-	20	185
	<u>20</u>	<u>450</u>	<u>470</u>	<u>535</u>

The income from donations and capital grants was £470,000 (2017: £535,000) of which £20,000 was unrestricted (2017: £26,000), £208,000 was restricted (2017: £243,000) and £242,000 was restricted fixed assets (2017: £266,000).

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2018 £(000)	Total 2017 £(000)
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,306	4,306	4,125
Other DfE group grants	-	171	171	161
	<u>-</u>	<u>4,477</u>	<u>4,477</u>	<u>4,286</u>
<b>Other government grants</b>				
Local authority grants	-	59	59	67
	<u>-</u>	<u>59</u>	<u>59</u>	<u>67</u>
<b>Total funding</b>	<u>-</u>	<u>4,536</u>	<u>4,536</u>	<u>4,353</u>

The income from funding for educational operations was £4,536,000 (2017: £4,353,000) of which £4,536,000 was restricted (2017: £4,353,000).

The academy trust received £59,000 from the local authority in the year, being £47,000 high needs funding, £8,000 pupil premium funding and £4,000 alternative provision funding.

There were no unfulfilled conditions or other contingencies relating to the grants received during the year.

### 5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2018 £(000)	Total 2017 £(000)
Hire of facilities	28	-	28	23
Catering income	236	-	236	222
Parental contributions	180	-	180	125
Other income	150	-	150	100
	<u>594</u>	<u>-</u>	<u>594</u>	<u>470</u>

The income from other trading activities was £594,000 (2017: £470,000) of which £594,000 was unrestricted (2017: £465,000) and £nil was restricted (2017: £5,000).

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 6 Expenditure

	Staff costs £(000)	Premises £(000)	Other costs £(000)	Total 2018 £(000)	Total 2017 £(000)
Expenditure on raising funds	-	-	237	237	169
Academy's educational operations					
- Direct costs	3,198	157	313	3,668	3,600
- Allocated support costs	1,079	332	470	1,881	1,769
	<u>4,277</u>	<u>489</u>	<u>1,020</u>	<u>5,786</u>	<u>5,538</u>

The expenditure on raising funds was £237,000 (2017: £169,000) of which £237,000 was unrestricted (2017: £169,000).

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

	2018 £(000)	2017 £(000)
Fees payable to auditor for audit services	8	7
Operating lease rentals	11	11
Depreciation of tangible fixed assets	174	167
Net interest on defined benefit pension liability	<u>26</u>	<u>53</u>

### 7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2018 £(000)	Total 2017 £(000)
<b>Direct costs</b>				
Educational operations	-	3,668	3,668	3,600
<b>Support costs</b>				
Educational operations	113	1,768	1,881	1,769
	<u>113</u>	<u>5,436</u>	<u>5,549</u>	<u>5,369</u>

The expenditure on educational operations was £5,549,000 (2017: £5,369,000) of which £113,000 was unrestricted (2017: £113,000), £5,262,000 was restricted (2017: £5,089,000) and £174,000 was restricted fixed assets (2017: £167,000).

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Charitable activities

Analysis of costs	2018 £(000)	2017 £(000)
<b>Direct costs</b>		
Teaching and educational support staff costs	3,188	3,168
Staff development	10	5
Depreciation	157	150
Educational supplies and services	222	190
Examination fees	57	56
Educational consultancy	34	31
	<u>3,668</u>	<u>3,600</u>
<b>Support costs</b>		
Support staff costs	1,079	936
Depreciation	17	17
Technology costs	83	76
Maintenance of premises and equipment	106	89
Cleaning	83	83
Energy costs	57	60
Rent, rates and other occupancy costs	36	45
Insurance	33	31
Security and transport	27	25
Catering	113	118
Interest on defined benefit pension scheme	26	53
Other support costs	177	197
Governance costs	44	39
	<u>1,881</u>	<u>1,769</u>

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2018 £(000)	2017 £(000)
Wages and salaries	2,965	2,996
Social security costs	464	290
Pension costs	744	687
	<u>4,173</u>	<u>3,973</u>
Staff costs	4,173	3,973
Agency staff costs	19	82
Staff restructuring costs	10	-
Staff development and other staff costs	75	54
	<u>4,277</u>	<u>4,109</u>
Total staff expenditure	4,277	4,109

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Staff

Staff restructuring costs comprise:

	2018 £(000)	2017 £(000)
Severance payments	10	-

#### Non statutory/non-contractual staff severance payments

Included in severance payments are non-statutory/non-contractual severance payments totalling £10,059 (2017: £nil). Individually, the payment is a single one paid in October 2017.

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	55	51
Administration and support	72	69
Management	13	6
	<u>140</u>	<u>126</u>

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	2	2
£100,001 - £110,000	1	1

#### 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) received by key management personnel for their services to the academy trust was £768,465 (2017: £691,607).

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **9 Trustees' remuneration and expenses**

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

J Hazeldine (Headteacher)

Remuneration £105,000 - £110,000 (2017: £105,000 - £110,000)

Employers pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

D Cassidy (Staff trustee) Appointed 31/10/2017.

Remuneration £20,000 - £25,000

Employers pension contributions £nil - £5,000

J Foxley (Staff trustee) Appointed 31/10/2017.

Remuneration £45,000 - £50,000

Employers pension contributions £5,000 - £10,000

During the year, travel and subsistence payments totalling £nil (2017: £nil) were reimbursed.

### **10 Trustees and officers insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £250,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

As of 1 September 2018, the academy has joined the RPA Scheme.



# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£(000)	£(000)	£(000)	£(000)
<b>Cost</b>				
At 1 September 2017	7,841	58	475	8,374
Additions	-	-	308	308
	<u>7,841</u>	<u>58</u>	<u>783</u>	<u>8,682</u>
At 31 August 2018	7,841	58	783	8,682
<b>Depreciation</b>				
At 1 September 2017	746	43	83	872
Charge for the year	127	8	39	174
	<u>873</u>	<u>51</u>	<u>122</u>	<u>1,046</u>
At 31 August 2018	873	51	122	1,046
<b>Net book value</b>				
At 31 August 2018	<u>6,968</u>	<u>7</u>	<u>661</u>	<u>7,636</u>
At 31 August 2017	<u>7,095</u>	<u>16</u>	<u>392</u>	<u>7,503</u>

The net book value of land and buildings comprises:

	2018 £(000)	2017 £(000)
Long leaseholds (over 50 years)	<u>6,650</u>	<u>6,770</u>

### 12 Stocks

	2018 £(000)	2017 £(000)
School uniform	34	34
Catering stock	4	4
	<u>38</u>	<u>38</u>

### 13 Debtors

	2018 £(000)	2017 £(000)
Trade debtors	95	8
VAT recoverable	53	21
Other debtors	-	43
Prepayments and accrued income	131	112
	<u>279</u>	<u>184</u>

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>14</b>	<b>Creditors: amounts falling due within one year</b>	<b>2018 £(000)</b>	<b>2017 £(000)</b>
	Trade creditors	153	167
	Other taxation and social security	126	131
	Other creditors	12	8
	Accruals and deferred income	130	127
		<u>421</u>	<u>433</u>
<b>15</b>	<b>Deferred income</b>	<b>2018 £(000)</b>	<b>2017 £(000)</b>
	Deferred income is included within:		
	Creditors due within one year	<u>100</u>	<u>69</u>
	Deferred income at 1 September 2017	69	108
	Released from previous years	(69)	(108)
	Amounts deferred in the year	<u>100</u>	<u>69</u>
	<b>Deferred income at 31 August 2018</b>	<u>100</u>	<u>69</u>

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- Trips during 2018/19 - £90,119
- Other income received in advance - £10,080 (Rates Relief)

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

	Balance at 1 September 2017 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2018 £(000)
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,306	(4,550)	244	-
Other DfE / ESFA grants	-	171	(171)	-	-
Other government grants	-	59	(69)	10	-
Other restricted funds	-	208	(208)	-	-
Pension reserve	(925)	-	(264)	547	(642)
	<u>(925)</u>	<u>4,744</u>	<u>(5,262)</u>	<u>801</u>	<u>(642)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	6,779	-	(135)	6	6,650
DfE group capital grants	668	242	(30)	8	888
Capital expenditure from GAG	-	-	-	2	2
Private sector capital sponsorship	150	-	(9)	(14)	127
	<u>7,597</u>	<u>242</u>	<u>(174)</u>	<u>2</u>	<u>7,667</u>
<b>Total restricted funds</b>	<u>6,672</u>	<u>4,986</u>	<u>(5,436)</u>	<u>803</u>	<u>7,025</u>
<b>Unrestricted funds</b>					
General funds	<u>57</u>	<u>614</u>	<u>(350)</u>	<u>(256)</u>	<u>65</u>
<b>Total funds</b>	<u>6,729</u>	<u>5,600</u>	<u>(5,786)</u>	<u>547</u>	<u>7,090</u>

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Transfers from unrestricted funds to restricted general funds is to fund expenditure incurred but not fully funded by unrestricted income. For example, catering costs.

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 2018.

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

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

	Balance at 1 September 2016 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2017 £(000)
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,125	(4,361)	236	-
Other DfE / ESFA grants	-	161	(161)	-	-
Other government grants	-	67	(67)	-	-
Other restricted funds	-	248	(248)	-	-
Pension reserve	(2,406)	-	(252)	1,733	(925)
	<u>(2,406)</u>	<u>4,601</u>	<u>(5,089)</u>	<u>1,969</u>	<u>(925)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,483	-	(130)	(574)	6,779
DfE group capital grants	24	107	(28)	565	668
Private sector capital sponsorship	-	159	(9)	-	150
	<u>7,507</u>	<u>266</u>	<u>(167)</u>	<u>(9)</u>	<u>7,597</u>
<b>Total restricted funds</b>	<u>5,101</u>	<u>4,867</u>	<u>(5,256)</u>	<u>1,960</u>	<u>6,672</u>
<b>Unrestricted funds</b>					
General funds	<u>75</u>	<u>491</u>	<u>(282)</u>	<u>(227)</u>	<u>57</u>
<b>Total funds</b>	<u>5,176</u>	<u>5,358</u>	<u>(5,538)</u>	<u>1,733</u>	<u>6,729</u>

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 16 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2018 £(000)
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	8,431	(8,911)	480	-
Other DfE / ESFA grants	-	332	(332)	-	-
Other government grants	-	126	(136)	10	-
Other restricted funds	-	456	(456)	-	-
Pension reserve	(2,406)	-	(516)	2,280	(642)
	<u>(2,406)</u>	<u>9,345</u>	<u>(10,351)</u>	<u>2,770</u>	<u>(642)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,483	-	(265)	(568)	6,650
DfE group capital grants	24	349	(58)	573	888
Capital expenditure from GAG	-	-	-	2	2
Private sector capital sponsorship	-	159	(18)	(14)	127
	<u>7,507</u>	<u>508</u>	<u>(341)</u>	<u>(7)</u>	<u>7,667</u>
<b>Total restricted funds</b>	<u>5,101</u>	<u>9,853</u>	<u>(10,692)</u>	<u>2,763</u>	<u>7,025</u>
<b>Unrestricted funds</b>					
General funds	<u>75</u>	<u>1,105</u>	<u>(632)</u>	<u>(483)</u>	<u>65</u>
<b>Total funds</b>	<u>5,176</u>	<u>10,958</u>	<u>(11,324)</u>	<u>2,280</u>	<u>7,090</u>

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2018 £(000)
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	7,636	7,636
Current assets	486	-	31	517
Creditors falling due within one year	(421)	-	-	(421)
Defined benefit pension liability	-	(642)	-	(642)
	<u>65</u>	<u>(642)</u>	<u>7,667</u>	<u>7,090</u>
	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2017 £(000)
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	7,503	7,503
Current assets	57	433	94	584
Creditors falling due within one year	-	(433)	-	(433)
Defined benefit pension liability	-	(925)	-	(925)
	<u>57</u>	<u>(925)</u>	<u>7,597</u>	<u>6,729</u>

### 18 Pensions 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 Trafford Council. 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £46,757 (2017: £60,471) were payable to the schemes as at 31 August 2018 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 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.

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 18 Pensions and similar obligations

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.

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuary review of the TPS in accordance with the Public Service Pension (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge( currently 14.1%).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to the TPS in the period amounted to £346,541 (2017: £326,166).

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

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

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

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17% for employers and 5.5-12.5% for employees. The estimated value of employer contributions for the forthcoming year is £166,000.

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.

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pensions and similar obligations

Total contributions made	2018 £(000)	2017 £(000)
Employer's contributions	166	165
Employees' contributions	67	68
Total contributions	<u>233</u>	<u>233</u>
<b>Principal actuarial assumptions</b>	<b>2018 %</b>	<b>2017 %</b>
Rate of increase in salaries	3.2	3.2
Rate of increase for pensions in payment	2.4	2.4
Discount Rate	<u>2.8</u>	<u>2.5</u>

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	<u>26.2</u>	<u>26.2</u>

### Sensitivity analysis

Changes in assumptions at 31 August 2018	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	696
0.5% increase in the Salary Increase Rate	2%	123
0.5% increase in the Pension Increase Rate	10%	562



# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pensions and similar obligations

The academy trust's share of the assets in the scheme	2018 Fair value £(000)	2017 Fair value £(000)
Equities	3,405	3,346
Bonds	801	734
Property	350	275
Other assets	451	229
Total market value of assets	5,007	4,584
<b>Amounts recognised in the statement of financial activities</b>	<b>2018 £(000)</b>	<b>2017 £(000)</b>
Current service cost	404	364
Interest income	(117)	(84)
Interest cost	143	137
Total operating charge	430	417
<b>Changes in the present value of defined benefit obligations</b>	<b>2018 £(000)</b>	<b>2017 £(000)</b>
Obligations at 1 September 2017	5,509	6,320
Current service cost	404	364
Interest cost	143	137
Employee contributions	67	68
Actuarial gain	(410)	(1,329)
Benefits paid	(64)	(51)
At 31 August 2018	5,649	5,509
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2018 £(000)</b>	<b>2017 £(000)</b>
Assets at 1 September 2017	4,584	3,914
Interest income	117	84
Actuarial gain	137	404
Employer contributions	166	165
Employee contributions	67	68
Benefits paid	(64)	(51)
At 31 August 2018	5,007	4,584

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

### 19 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £(000)	2017 £(000)
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(186)	(180)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(242)	(266)
Defined benefit pension costs less contributions payable	238	199
Defined benefit pension net finance cost	26	53
Depreciation of tangible fixed assets	174	167
(Increase) in stocks	-	(16)
(Increase) in debtors	(95)	(1)
(Decrease) in creditors	(12)	(1)
<b>Net cash used in operating activities</b>	<b>(97)</b>	<b>(45)</b>

### 20 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £(000)	2017 £(000)
Amounts due within one year	11	11
Amounts due in two and five years	3	14
	<u>14</u>	<u>25</u>

### 21 Capital commitments

	2018 £(000)	2017 £(000)
Expenditure contracted for but not provided in the accounts	<u>86</u>	<u>90</u>

# HEALTHY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **22 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 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.

#### **Expenditure Related Party Transaction**

YST Limited - a company that A Oliver is CEO has an interest.

The academy trust purchased services from YST Limited totalling £3,500 (2017: nil) during the period. There were no amounts outstanding at 31 August 2018 (2017: nil). The academy trust made the purchase at arms' length and in accordance with its financial regulations, which A Oliver neither participated in, nor influenced. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017. The element above £2,500 has been provided "at no more than cost" and YST Limited has provided a statement of assurance confirming this.

D Richardson, a trustee has a spouse that is employed by the academy trust. D Richardson's spouses appointment was made in open competition and D Richardson was not involved in the decision making process regarding the appointment. His spouse is paid in accordance with the normal pay scales for her post and she receives no special treatment as a result of her relationship with a trustee.

### **23 Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.