

Company Registration No. 08840373 (England and Wales)

THE HARMONY TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

WEDNESDAY



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THE HARMONY TRUST LTD

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THE HARMONY TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Simmons
R Mohammed
Oldham Hulme Grammar School
N Hole (Appointed 01 August 2023)
D Hewitt (Resigned 12 June 2023)
E Farmer (Appointed 01 January 2023)

Trustees

A Weinstock (Chair of Trustees)
C Thorne (Chair of Finance Committee)
G McGuffie
N Hole (Resigned 12 July 2023)
O Smythe
I Robinson
E Farmer (Resigned 31 December 2022)
A Lant
B Flynn
B Iqbal (Appointed 24 April 2023)
H Cairns (Appointed 28 November 2022)
N Saleh (Appointed 20 June 2023)

Senior management team

- Chief Executive & Accounting Officer	A Hughes
- Chief Financial Officer	S Costello
- Director of Education	J Hainsworth
- Assistant Director of Education	S Taylor
- Assistant Director - Operations	T Mellor
- Assistant Director –Safeguarding, Estates & Compliance	W May
- Executive Principal (Alvaston Juniors)	A Dunn
- Executive Principal (Greenhill, Greenfield)	M Eccles
- Executive Principal (Lakeside)	T Rolfs / L Thorne (part-year)
- Executive Principal (Village, Reigate)	L Thorne

Company secretary

S Costello

Company registration number

08840373 (England and Wales)

Registered office

Greenhill Academy
Harmony Street
Oldham
Greater Manchester
OL4 1RR

THE HARMONY TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal
Lakeside Primary Academy	Derby	L Thorne
Cottons Farm Primary Academy	Derby	K Patmore
Alvaston Junior Academy	Derby	A Dunn
Reigate Park Primary Academy	Derby	K Ratcliff
Carlyle Infant and Nursery Academy	Derby	S Curtis
Hackwood Primary Academy	Derby	F Miah
Ash Croft Primary Academy	Derby	E Luff
Village Primary Academy	Derby	E Luff
Cavendish Close Junior Academy	Derby	M Tague
Northmoor Academy	Greater Manchester, NW	A Coleman
Richmond Academy	Greater Manchester, NW	C Rahman
Westwood Academy	Greater Manchester, NW	S Wimperis
Alt Academy	Greater Manchester, NW	K Jordan
Greenhill Academy	Greater Manchester, NW	A Coleman
Greenfield Primary Academy	Greater Manchester, NW	M Eccles

Independent auditor

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2N 7HN

Solicitors

Eversheds Sutherland
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

THE HARMONY TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a Directors' report and strategic report under company law.

The Multi-Academy Trust operated six primary academies in Greater Manchester, and nine academies in Derby being six primary academies, two junior academies and one infant and nursery academy. The Trust's academies have a combined pupil capacity of 426 part time 2-year-old and nursery and 5,600 primary places and had a roll of 5,265 (4,725 primary places and 540 2-year-old and nursery) at the end of the Summer 2023 term.

The Trust has continued with its successful governance model of forums in every academy for pupils, parents and staff; this provides greater influence over the Trust's strategic priorities and direction. The forums support the Board of Trustees in making decisions that account for the views of these groups. The Board has been strengthened by the new appointment of two parent trustees.

Parent panels increase the opportunities for parents to provide feedback on key trust priorities. Staff panels have also been set up to provide feedback and widen staff influence over decisions alongside the use of systematic wellbeing surveys and regular whole staff communications. Pupil Forums have continued to exercise children's voices in key decisions, including on behaviour policy this year. The CEO and Director of Education have met all pupil forums regularly during the year.

The CEO continues to report to the Board on the key issues and recommendations emerging from the forums on a termly basis and ongoing intelligence from a systematic cycle of Academy visits. The Trust has also continued to use Academy Improvement Boards (AIBs) where there needs to be closer support and challenge on the progress being made in an individual academy to ensure that children are receiving a high-quality education and Academy Leaders are drawing on the full resources of the Trust. In some academies, the Boards have operated very frequently in order to support Principals with significant improvement and catch-up challenges that have arisen from Covid-19 and because of contextual change – including increasing levels of deprivation in the communities we serve.

The Trust Executive Leadership Team (ELT) continues to oversee the implementation of the strategic plan and monitoring of performance and risk across every aspect of the Trust's education and service delivery.

The Learning Matters Steering Group (LMSG) continues to involve all Principals, the Director of Education, Assistant Director of Education and the CEO in the key strategic developments across the Trust.

Structure, governance and management

Constitution

The Multi-Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Multi-Academy Trust.

The charitable company operates as The Harmony Trust Ltd. The names of the academies are as follows:

North West

Alt Academy
Greenhill Academy
Richmond Academy
Northmoor Academy
Westwood Academy
Greenfield Academy

Derby

Cavendish Close Junior Academy
Ash Croft Primary Academy
Village Primary Academy
Alvaston Junior Academy
Cottons Farm Primary Academy
Reigate Park Primary Academy
Lakeside Primary Academy
Carlyle Infant and Nursery Academy
Hackwood Primary Academy

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees of The Harmony Trust Ltd are also the Directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

There have been no qualifying third-party indemnity provisions in place for the year 1 September 2022 to 31 August 2023 (2022: nil).

Method of recruitment and appointment or election of Trustees

The method of recruitment and appointment of Trustees' is laid down in the Articles and Memorandum of Association. Their number shall be not less than three. The Members may appoint eight through such process as they may determine. In accordance with The Academy Trust Handbook none of the Trustees are employees. There shall be up to two Parent Trustees elected across the Trust as a whole. The Trustees may also choose to appoint a 'Co-opted Trustee'.

Trustees serve a term of office of four years and may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

The Trustees have a vital role in our organisation. We aim to attract and retain people who have commitment, experience and the necessary skills to make a difference in the communities that we serve.

Training for the Trustees is recorded, and delivered on five levels:

- Termly Governance Forum supports Trustee CPD
- External speakers deliver key elements, particularly covering statutory responsibilities
- This is supplemented by attendance at regional events
- Access to an online suite of learning modules
- Email alerts from National Bodies

Organisational structure

The Chief Executive is the Accounting Officer of the Trust and, as such has ultimate responsibility for the operations and controls in place. At the point of approval of these financial statements The Harmony Trust Ltd included the following academies:

Academy	Date joined	Type
Greenhill Academy	1 February 2014	Primary (Lead Converter)
Alt Academy	1 October 2014	Primary (Sponsored)
Westwood Academy	1 November 2014	Primary (Sponsored)
Richmond Academy	1 November 2014	Primary (Sponsored)
Northmoor Academy	1 September 2016	Primary (Sponsored)
Cavendish Close Junior Academy	1 September 2017	Primary (Sponsored)
Village Primary Academy	1 May 2018	Primary (Converter)
Ash Croft Primary Academy	1 June 2018	Primary (Converter)
Reigate Park Primary Academy	1 September 2018	Primary (Sponsored)
Alvaston Junior Academy	1 September 2018	Primary (Converter)
Cottons Farm Primary Academy	1 September 2018	Primary (Sponsored)
Lakeside Primary Academy	1 January 2019	Primary (Sponsored)
Carlisle Infant & Nursery Academy	1 August 2019	Primary (Converter)
Hackwood Primary Academy	1 September 2019	Primary (Free School)
Greenfield Primary Academy	1 September 2020	Primary (Sponsored)

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Harmony Trust Ltd has an experienced Board of Trustees in place, who are responsible for identifying and establishing strategies and policies and for ensuring they are implemented. Where appropriate, duties are delegated to Committees, and employees of The Harmony Trust Ltd.

There are three separate sub-committees of the Board of Trustees, a Finance committee, Audit and Risk committee and Standards, Pay and Performance committee. The Chair of each Committee meets with ELT regularly via the Medium Term Finance Strategy meeting or other regular meeting or by termly attendance at an Operations Group meeting.

Committee terms of reference are reviewed and agreed on an annual basis by the Board of Trustees. The Trustees have a detailed Scheme of Delegation for effective and efficient decision making for its committees and senior staff throughout The Harmony Trust Ltd.

The appointment of Trustees, approval of annual financial statements and budgets, along with the approval of key policies and procedures implemented within the Trust remain the responsibility of the Board.

In accordance with the Academy Trust Handbook, external auditors are appointed/re-appointed annually by Members at the Annual General Meeting (AGM).

Harmony Trading Services Limited is a wholly owned subsidiary of The Harmony Trust Ltd. The company was established on the 11th July 2018 as a private company limited by shares. Company number is 11460492. The purpose of Harmony Trading Services Limited is to support the objectives of Harmony Trust. Principal activities to date have been the provision of meals to academies within Derby.

Arrangements for setting pay and remuneration of key management personnel

The salaries of the key management personnel of the Multi Academy Trust are set by the Board of Trustees at a level consistent with the skills and experience required and appropriate to market rates. These link to annual performance reviews.

The Scheme of Delegation requires that any pay recommendations for the CEO must be approved by the Chair of the Board of Trustees plus one other Board Member, and other Senior Leadership / Executive roles by the CEO and the appropriate committee.

Performance Management reviews are conducted by the Chair of the Board for the CEO, and overseen by an independent advisor and then through the Scheme of Delegation, by the CEO, or delegated, via the Scheme of Delegation, annually for the Senior Management personnel.

Performance is measured in terms of setting objectives with robust targets that deliver key strategic priorities across the Trust within the Strategic Plan and Academy Development Priorities.

Senior management personnel are accountable for the continued success of the Trust and their pay is set to reflect this and to ensure effective retention rates. This is also viewed with best value in mind and is looked at in terms of benchmarking against other similar academy trusts and other sectors where applicable.

The Board of Trustees take great care to ensure the public obtain value for money from the personnel appointed within the Trust and do not award excessive levels of pay. The Board of Trustees and its sub committees and any changes to previously approved salary ranges are reported, discussed, and challenged through this process, this includes annual reports and recommendations for senior leaders to the Pay and Performance Committee. All reports submitted follow an evidence-based process and reflects the individual's roles and responsibilities and the context & challenges their roles face.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	5.20

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time (£'000)	71
Total pay bill (£'000)	25,033
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	6%
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Engagement with employees

The Trust has developed a more comprehensive communication strategy and process to ensure employees are consulted and communicated with on various strategic and operational priorities.

Under the Governance structure, a variety of methods are used to engage and seek the views of staff, these include staff meetings led by the Principal in each academy, regular staff surveys, drop-in sessions with the Executive Leadership and HR surgeries plus regular staff briefings. This supports staff engagement and consultation on a wide range of potential Trust-wide strategies. This aligns with the ethos and values we have in place.

The Trust has regular scheduled meetings with national and local union representatives. These have been ongoing for several years on a minimum half termly basis.

Disabled employees

The Trust discloses its policy in respect of applications for employment from disabled persons.

The Trust follows policies and processes for treatment of disabled employees ensuring fair access to training, career development and opportunities.

Employee consultation

The Trust follows the agreed Change Management policy or associated process which requires detailed documentation to be shared with employees, and views, comments and suggestions to be sought, from both the employee and any union representation. Due process would then be followed and aligned to all other HR policy requirements to amend accordingly and implement to agreed timelines.

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

The Trust believes in open, fair and transparent relationships with suppliers, customers and all other stakeholders. Contract management is undertaken by managers within service areas supported by our Procurement Specialist Advisor, Tenet Education Services Limited.

Wherever possible, the Trust aims to support local communities by engaging with local businesses. Our aim is to form strong partnerships with a smaller number of suppliers, building and maintaining open and honest relationships.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Related parties and other connected charities and organisations

The Trust has largely focused on core objectives and the recovery from the impact of Covid-19 on pupils, parents, and staff, while developing further its core offer of professional development programmes for all Harmony staff. Partnership activity has therefore been concentrated around the Trust's strategic plan priorities.

The partnership with Oldham Hulme Grammar on reading volunteers is working effectively and the Trust has also continued to interact with other MATs and other education partners that share a similar ethos and priorities. It has also continued to develop new teachers through its partnership with Manchester Metropolitan University and Teach First.

Objectives and activities

Objects and aims

The Harmony Trust has the highest aspirations for its pupils, parents and staff members. We work hard to ensure that every child achieves. Our vision is to provide an excellent primary education that gives our children the very best chance of succeeding in life. Parents are very important to achieving this vision and we aim to work in partnership with them to ensure that all our children Believe Achieve Succeed. Our aim is to ensure that children at our academies enjoy the best education from the early years to the end of the primary stage. We believe that school should be a place where every child achieves and makes progress in their learning. We believe in the importance of children developing well-being and high self-esteem if they are to learn and do well.

We also believe in The Harmony Trust being an organisation where children become confident learners and staff are committed to learning and education. We have a great team of people working in our Academies. We aim to retain them by investing in professional development and offering opportunities to work across the Trust, ensuring Harmony is a great place to work.

Public benefit

Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning future activities.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

The Trust remains in a strong position after 11 Ofsted inspections during 2022/23. It continues to have the capacity to fulfil its role in supporting and challenging the academies to achieve the best possible outcomes for children, staff and communities. We know that to improve the quality of provision and in turn to improve outcomes, we need to invest in our workforce. We have continued to do this over the academic year and have seen improvement in the provision and offer to our pupils. Systems to monitor, evaluate and improve our academies are strong. The Executive Leadership Team, Academy Principals and Services work together to share insight that supports continuous academy improvement.

The year has been one of success where a number of Academies that were on school improvement journeys prior to joining Harmony were rated Good. Our current Ofsted profile is 12 Academies are Good, 2 Require improvement (1 that has improved from special measures) and 1 yet to be inspected (Hackwood). Since the inception of the Trust we have taken 6 schools out of special measures, 5 straight to Good. This improvement record reflects impact in both the North West and Derby. Improvement has been hard won in both areas, but particularly in Derby where there is a long legacy of under-performance in the city's schools.

While the impact of Covid-19 can still be seen on levels of pupil attainment, a number of Harmony Academies achieved above average levels of attainment in reading last year, demonstrating the continuing impact of Read Achieve Succeed. In some of our academies, disadvantaged children performed above national averages for reading. Performance trust-wide in the phonics screening check was good, with a number of academies performing on or above the national average for 2022.

The AIB structure and allocation of the Trustee approved Academy Improvement Grant have been vital in securing this impact.

We have also held onto our aim of being an employer of choice. Despite financial pressures, we have remained true to our commitment to protect jobs and developed new ways of working. We know from staff that they appreciate this security, even if they find the financial challenges, and the changes that emanate from them, demanding. We conducted a workload review that demonstrated a culture of putting children first and one where staff value 'voice and influence'. Implementation of the recommendations from the workload review, and maximising further the impact of collaboration, is a key priority. The Board has recently agreed a new wellbeing strategy that is mutually supportive of the workload review.

The organisation has been reshaped with greater control over the deployment of specialist workforces, including teachers, TAs, Trust Leaders and Specialist Practitioners working within the Development Team. Cross-Trust project working has increased with the role of Curriculum Implementors and specialists within our Inclusion Service.

Leadership across academies and services is strong, if under pressure. While there is inexperience in some academies, we have the systems in place to mentor and support new leaders. In Derby, our most experienced Principals are deployed to the academies where there remain the most significant challenges (either improvement or context). In the North West we have depth of leadership and need growth to facilitate the careers of aspiring leaders and Principals. Our Executive Leadership Team continues to provide stable leadership and ensure that our decision making is joined up and responsive.

Key performance indicators

Key highlights from our pupil outturn include:

The outturn position should be viewed within the complex context across the Trust. Data shows that:

- Proportions of pupils with SEND have reached 20% (2% increase since 2021-22) with 155 children having an Education Health Care Plan
- Proportions of pupils identified as Disadvantaged now stands at 41%, with some academies facing acute levels of need (Cottons Farm 58%, Ash Croft 53%, Alt 54%)
- 23 pupils are currently Looked After, with 20 previously Looked After
- 48% of pupils have English as an additional Language, with many not identifying as EAL

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

We should also recognise that academies continue to face the longer-term impact of the pandemic period and the particular impact that this period had on children identified as disadvantaged.

2023 out turn position - % of pupils meeting the Expected standard

		Trust	National
EYFS	Good Level of development	55%	65% (2022)
Year one	Phonics Screening Check	74%	75% (2022)
KS1	Reading	56%	67% (2022)
	Writing	50%	58% (2022)
	Maths	61%	68% (2022)
KS2	Reading	63%	73%
	Writing	62%	71%
	Maths	64%	73%
	Combined	49%	59%

We remain at around **10% behind national average in all subjects at all phases** with our overall performance as a trust remaining similar to the previous year despite some significant improvements in the quality of provision in individual academies. We have not yet returned to the standards that were set pre-pandemic.

In phonics we are broadly in line with national averages which is a direct result of an increased focus, the implementation of the Harmony Phonics Framework and ensuring strong CPD for all. This demonstrates that where we document our proven successful approaches and then take a consistent and supported approach to the implementation of agreed frameworks there is greater equity of outcomes across the trust.

Now is the time that we must build on the strength in our provision to improve outcomes (EYFS, PSC, KS1, MTC and KS2) and ensure that all children are well prepared for their next phase and that as many as possible meet the expected standards. This includes developing effective approaches to groups who historically have been less likely to achieve.

Academy Name and Region	Date of Conversion / Opened	Previous Ofsted Judgement	Ofsted Judgement since joining Harmony and Date	KS2 2023 Attainment			
				*not yet published *discounted pupils not yet removed			
Alt Academy, Oldham Age Range 3-11	September 2014	Good September 2017	Good November 2022		Expected Standard	Greater Depth	Progress*
				R	49	13	
				W	51	9	
				M	49	11	
				Comb	33	7	
Alvaston Junior Academy, Derby Age Range 7-11	September 2018	Good November 2022	Good (at risk) Ungraded January 2023		Expected Standard	Greater Depth	Progress*
				R	62	22	
				W	72	1	
				M	69	15	
				Comb	54	0	
Ash Croft Primary Academy, Derby Age Range 3-11	June 2018	Requires Improvement	Good September 2022		Expected Standard	Greater Depth	Progress*
				R	76	16	
				W	73	16	
				M	57	8	
				Comb	51	5	

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Academy Name and Region	Date of Conversion / Opened	Previous Ofsted Judgement	Ofsted Judgement since joining Harmony and Date	KS2 2023 Attainment			
					*not yet published *discounted pupils not yet removed		
Carlyle Infant and Nursery Academy, Derby Age Range 3-7	August 2019	Good	Good July 2023	KS1	Expected Standard	Greater Depth	Progress
				R	79	28	N/A
				W	79	15	N/A
				M	76	22	N/A
Cavendish Close Junior Academy, Derby Age Range 7-11	September 2017	Special Measures	Good January 2022		Expected Standard	Greater Depth	Progress*
				R	66	16	
				W	69	7	
				M	66	17	
Cottons Farm Primary Academy, Derby Age Range 3-11	September 2018	Special Measures	Requires improvement February 2022	Comb	49	1	
					Expected Standard	Greater Depth	Progress*
				R	56	11	
				W	44	0	
Greenfield Academy, Tameside Age Range 3-11	September 2020	Special Measures	Good March 2023	M	33	0	
				Comb	33	0	
					Expected Standard	Greater Depth	Progress*
				R	86	14	
Greenhill Academy (Sponsor), Oldham Age Range 2-11	February 2014	Outstanding	Good March 2020	W	72	0	
				M	79	41	
				Comb	72	0	
					Expected Standard	Greater Depth	Progress*
Hackwood Academy Age Range 3-11	Opened September 2019	N/A	Not yet Inspected	R	83	27	
				W	67	7	
				M	73	13	
				Comb	60	3	
Lakeside Primary Academy, Derby Age Range 3-11	January 2019	Requires Improvement	Requires improvement November 2022		Expected Standard	Greater Depth	Progress*
				R	46	11	
				W	52	0	
				M	52	10	
				Comb	33	0	

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Academy Name and Region	Date of Conversion / Opened	Previous Ofsted Judgement	Ofsted Judgement since joining Harmony and Date	KS2 2023 Attainment			
					*not yet published *discounted pupils not yet removed		
Northmoor Academy, Oldham Age Range 2-11	Opened September 2016	N/A	Good with O/S May 2019		Expected Standard	Greater Depth	Progress*
				R	53	15	
				W	42	5	
				M	70	12	
				Comb	42	2	
Reigate Park Primary Academy, Derby ERU Age Range 3-11	September 2018	Good	Good January 2023		Expected Standard	Greater Depth	Progress*
				R	66	26	
				W	57	0	
				M	62	15	
				Comb	52	0	
Richmond Academy, Oldham Age Range 2-11	November 2014	Good September 2017	Good Upgraded January 2023		Expected Standard	Greater Depth	Progress*
				R	75	12	
				W	63	5	
				M	73	23	
				Comb	60	3	
Village Primary Academy, Derby Age Range 2-11	May 2018	Good	Good Upgraded October 2022		Expected Standard	Greater Depth	Progress*
				R	56	14	
				W	63	2	
				M	56	11	
				Comb	44	2	
Westwood Academy, Oldham Age Range 3-11	November 2014	Special Measures	Good with O/S September 2017		Expected Standard	Greater Depth	Progress*
				R	73	23	
				W	73	10	
				M	80	20	
				Comb	73	7	

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Attendance

School Attendance continued to be significantly impacted by the post Covid-19 period during the 22-23 academic year. Absence continued to be affected by Covid-19 and by other infections (e.g. Scarlet fever, Strep A and chicken pox). There was also an impact of unauthorised holiday during this academic year.

Academies are being supported to understand their data and to ensure there are thorough records that show reasons for pupil absence. A clear policy is in place for each academy linking to the DFE "working together to improve school attendance" document. Attendance is "everyone's business" and academies work closely with families to ensure their children are attending regularly. The Trust Attendance Leads Network continues to support individual academies to ensure they are proactively managing attendance and to develop Attendance development plans.

During 2022/23, expectations regarding attendance were in line with changing DFE guidance and close monitoring of attendance was undertaken at Trust-level through Academy Improvement Boards and stocktakes. Attendance remains a key priority for the Trust.

North West

	Alt	Greenfield	Greenhill	Northmoor	Richmond	Westwood	North West
Attendance Y1-6%	92.5%	94.3%	91.8%	92.2%	90.9%	90.9%	92.8%
Attendance N-Y6%	92.0%	93.5%	90.4%	91.6%	89.7%	89.7%	91.5%
PA Y1-Y6	30.3%	13.9%	32.1%	27.7%	35.5%	35.5%	27.6%
Improvement 21/22 (Y1 - Y6)	+0.8%	-0.6%	-1.6%	-1.3%	-1.5%	-1.5%	-0.5%

Over the year, the North West attendance (Y1-Y6) was 92.8%. This is compared to a national primary attendance percentage of 94% (with 17% Persistent Absence). The North West attendance identified illness as a significant contributor as mentioned above.

Derby

	Alvaston	Ashcroft	Carlyle	Cavendish	Cottons	Hackwood
Attendance Y1-6%	93.6%	93.7%	92.7%	95.5%	93.8%	93.7%
Attendance N-Y6%	93.6%	93.4%	92.0%	95.5%	93.0%	93.3%
PA Y1-Y6	19.5%	19.8%	26.5%	8.6%	20.0%	18.1%
Improvement 21/22 (Y1 - Y6)	+1.5%	+0.4%	+0.3%	+2.6%	+1.3%	0%

	Lakeside	Reigate	Village	Derby	Trust
Attendance Y1-6%	91.8%	93.5%	91.8%	93.1%	92.8%
Attendance N-Y6%	91.3%	93.4%	90.9%	92.6%	92.2%
PA Y1-Y6	29.5%	21.2%	25.2%	21.9%	24.1%
Improvement 21/22 (Y1 - Y6)	+0.3%	+1.0%	0%	+0.8%	+0.1%

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Over the year, the Derby hub attendance (Y1-Y6) was 93.1%. This is compared to a national primary attendance percentage of 94% (with 17% Persistent Absence). Derby's attendance improved by 0.8% on the previous academic year.

Priorities for attendance are to ensure all children are in school every day. Where absence occurs, it is exceptional and in line with our policy. The focus continues to be ensuring that vulnerable group attendance is not lower than other groups and to work with individuals to make sure persistent absence is tackled and reduced.

Curriculum

The Harmony Trust's Great Place 2 Learn Statement (GP2L)

Our aim is to ensure that children at our academies experience the best educational provision beginning with excellence in the Early Years Foundation Stage.

We believe that school should be a place where every child achieves and makes progress in their learning across the whole curriculum over time.

We know that parents are the single most influential factor in children's outcomes and that we need to prioritise even further the need to support parents to support their children's education.

Every child has the entitlement to an inclusive curriculum, and we strive to ensure that disadvantage and additional needs do not act as barriers to learning and achievement.

We aim for all our children to succeed both academically and socially, ready for the next phase of their learning and beyond as responsible and respectful citizens.

The Harmony Trust core values underpin everything we do.

The Harmony Model (INSPIRE) Curriculum is now in place across the majority of our academies. This is a long-standing, well-developed curriculum that meets and exceeds all requirements of the National Curriculum. We are confident that this represents an excellent primary education: it has the correct emphasis and focus on the core subjects of English, Maths and Science while providing progressive skills and knowledge in all foundation subjects and real academic depth. We are ambitious for our children and their future. A robust curriculum underpinned by reading, strengthened by the use of technology and focused on learning skills, enables pupils to become confident, independent learners. We can demonstrate this through good attainment and progress, strong pupil outcomes in books (particularly for children vulnerable to low attainment like those LAC and PLAC), positive feedback through pupil and staff voices and evidence in our learning environments. Our pupils learn best when the learning intention is clear, when lessons are well sequenced, when concepts and skills are modelled and there are memorable hooks for learning. Staff feedback identifies that the range of plans and resources have improved workload.

This Curriculum encompasses the design principles outlined in the GP2L statement:

- Relevant, considering children's interests, varied, inclusive, context appropriate
- National Curriculum coverage, age appropriate, challenge and high expectations
- First-hand practical enrichments & wider opportunities
- Communication, language and literacy is the golden thread that runs throughout the curriculum
- Reading is prioritised from an early stage including the teaching of phonics within and around the curriculum
- Fluency, problem solving and reasoning to enable application
- Life skills and character development through The Harmony Pledge
- Developing self-regulating learners
- Opportunities to experience success in different subjects & different skills and to share their learning with others
- Effective use of resources & technology to enhance learning opportunities
- Informed by evidence, research, and pedagogy

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Academy leaders apply their professional judgement and knowledge to tailor the curriculum sensitively to reflect the local context, geography, history and culture and take a local-to-global approach. The curriculum has been designed so that throughout their education, pupils benefit from a variety of learning experiences designed to deepen their knowledge and understanding of the world whilst acquiring and refining transferable lifelong skills. The Trust prioritises the essential skills of communication, reading, writing and maths to allow access to the wider curriculum. Knowledge, skills and conceptual understanding are carefully combined to ensure sequence and progression in learning. Lessons are planned to ensure memorable learning. Assessment is used to inform the teaching sequence and to ensure all children make progress. The curriculum will provide the cultural capital to ensure our pupils will be skilled communicators as active global citizens for today and tomorrow. The curriculum sensitively reflects local context, history and culture and takes a local-to-global approach.

Deep rooted in all learning is quality first teaching interlinked with high quality provision which is delivered by highly skilled practitioners. Expert leaders guide the teaching of knowledge, skills and conceptual understanding, shaped by the needs of our children. The curriculum is both knowledge and skills based. Our whole strategy is based on knowledge of how children learn, underpinned by research and evidence and highly effective assessment for learning.

- Through 'The Harmony Pledge' all academies provide different opportunities to develop our character competencies and raise aspirations. The Harmony Pledge aims to broaden children's experiences and aspirations in order to enable children to become lifelong learners and has become a key area of focus for all academies and their curriculum planning

Trustees continue to prioritise professional development as a key element of its education strategy for all staff. Significant numbers of staff are benefiting from the Development Team's professional development programmes on priority areas such as reading comprehension, teaching and learning for children with SEND, focus on newly arrived pupils with EAL, and early years.

Our Three main Performance Indicators at the Harmony Trust are:

- A Great Place2Learn – that all children access at least good provision and as a result they achieve well. Outcomes are comparable with national expectations and all children meet their potential
- A GreatPlace2Work – staff maintain their trust in the organisation and they feel valued and well supported in their roles
- Financially sound with robust measures in place to ensure that wherever possible each academy has a balanced or surplus budget

Achievement - How we monitor our academies performance against these indicators

- Ongoing self-evaluation supported by professional dialogue with a focus on school standards and the effectiveness of improvement strategies
- Termly 'Progress and Standards' meetings to identify strengths and areas for development or more frequently through Academy Improvement Boards. This is an opportunity to analyse data and raise questions regarding the outcomes of all pupils, including key groups, the quality of education and provision for all children. Individual pupil targets and progress towards those targets is monitored closely through this process
- Parent, Pupil and Staff voice through termly forums, surveys and communication with the trust and its academies
- Learning Walks by the CEO and the Director of Education
- Finance Roundtables – which look strategically and in real time at the financial position of each individual academy
- Monthly review of financial accounts and performance against budget

Trustees use the committee structures to ensure close and robust oversight of the quality of education and the managing of finance respectively and these areas form the basis of the CEO's reports to the Board.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reporting

Termly detailed reports are completed by the Chief Executive Officer, who reports progress on the plan to the Board of Trustees, key issues affecting individual academies and feedback from academy visits and forums. Data is regularly presented to the Board on key performance indicators including Safeguarding and Attendance.

The Director of Education reports on a termly basis to the Standards and Performance Committee. This includes further detail on an academy-by-academy basis including the self-evaluation, academy priorities and impact of action taken.

The Finance Committee receives detailed reports on a termly basis in regards to the strategic and operational financial outcomes and proprieties.

Going concern

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

Protecting the success of the academy trust

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

The Harmony Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values. As an educational charity, we are accountable not only to our funders and direct beneficiaries (our pupils) but also our parents and wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. We are a values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values. Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

a) Long-term consequences of any decision

Trustees consider the consequences of any strategic decision in the long-term as part of their assessment. We aim to ensure that as an organisation we balance our income and expenditure to ensure that our organisation remains sustainable in the long term. This is balanced against the needs of our pupils, staff, community and other stakeholders, to ensure we are spending the funding we receive from the government in the most effective way to support our aims, and with integrity.

b) The interests of the company's employees

Details of how the trustees give consideration to the interests of the organisation's employees can be found in the section Engagement with employees within this report.

c) The need to foster the company's business relationships with suppliers, customers and others

Details of how the trustees give consideration to the interests of the organisation's other stakeholders can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust.

d) The impact of the company's operations on the community and the environment

Details of how the trustees give consideration to the impact on the community can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust. Further information is also given in the section on Public Benefit. The Trust also aims to be an employer of choice within local communities.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

e) The desirability of the trust maintaining a reputation for high standards of business conduct

The Trust aims to conduct all its relationships with integrity and courtesy, and to honour all business agreements. The trustees have approved a number of policies that help to ensure we maintain high standards of business conduct; these include the Business Continuity Policy, Anti-Fraud and Bribery Policy, Whistleblowing Policy, Register of Business Interests, Modern Slavery Policy, Social Media Policy and Gifts, Hospitality and Rewards Policy.

f) The need to act fairly as between members of the company

All Members of the trust are treated fairly and equally, with the same access to information, the ability to directly contact trustees, the Chief Executive Officer or any member of the senior leadership team.

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential impacts and risks for our stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

Financial review

The Harmony Trust Ltd income is derived in the main from the Department of Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

Incoming resources during the year ended 31 August 2023 totalled £33.7m (2022: £32.0m) and were sufficient to cover outgoing resources and provided a deficit of £3.1m (2022: £5.9m deficit) before transfers and other recognised gains and losses.

It should be noted that the September 2022 pay award for teachers was not formally agreed and notified to employers until late summer 2022. This was after the annual budget for 2022-2023 had been agreed by trustees. In addition, the support staff pay award for April 2022 was formally agreed and notified to employers late summer 2022, again after the budget for 2022-2023 had been agreed by trustees. This added more than £700k of expenditure to the budget for the academic year 2022-2023.

At the 31 August 2023 the net book value of fixed assets was £76.3m (2022: £78.3m). The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. At the 31 August 2023 the net assets excluding pension liability was £78.4m (2022: £80.9m).

Pension Liability

The ultimate responsibility for setting the assumptions is that of the trust as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 5.2% is considerably higher than the rate of 4.3% used in 2022. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £3.8m to £1.4m.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

The trust has an established reserves policy which is reviewed annually. The purpose of the policy is to ensure the stability of the organisational operations and its charitable activities against an unpredictable future. This restricts the impact of any risk upon continuing operations. The reserves policy complements future strategic planning and will assist decision making.

Current reserves are deemed to be at the right level to address the significant financial challenges ahead. Medium term financial planning and robust budget monitoring procedures will involve maintaining an acceptable level of reserves. The reserves policy will be reviewed annually and the level agreed may fluctuate depending on circumstances.

Individual academies are expected to work within at least breakeven budgets each year, however trustees recognise that this is not feasible in some cases where academies have improvement challenges, low/declining pupil numbers and high resource demands for children with complex needs. In these cases, the trust supports academies facing a deficit and works with them to return the academy to a surplus position through a sustainable workforce model and close financial monitoring.

Unrestricted reserves of the Trust are pooled for the benefit of the trust as a whole and the consolidated trust budget aims to return a breakeven budget as a minimum target. The reserves of the trust are broken down into Restricted Fixed Asset Reserves, Restricted General Reserves, Unrestricted Reserves (free reserves), and the Pension Reserves.

Restricted Fixed Asset Reserves

At 31 August 2023 the balance of the Restricted Fixed Asset Funds stood at £76.6m - these assets are used by the Trust for providing education & for hire to the local community.

Restricted General Reserves

Restricted General Funds must be spent by the trust on the provision of education. At the 31 August 2023 these funds totalled £451k all of which represents committed expenditure in 2023-2024.

Unrestricted Reserves

Unrestricted Funds are those funds that the trust can spend how they believe appropriate - at 31 August 2023 the funds totalled £1.4m.

Trust policy is to aim to retain around 8%-10% of GAG funding whilst at the same time ensuring resources are primarily used to meet the needs of the pupils within the trust. As outlined above the policy does recognise that there will be fluctuations on this target; the level of reserves is closely monitored by the Executive Leadership Team and Trustees.

Pension Reserves

The Local Government Pension Scheme currently being in a deficit position does not constitute an immediate liability and does not mean the equivalent amount is already committed or no longer available.

The presence of a pension deficit will generally result in a cash flow effect for the Trust in the form of an increase in employers' pension contributions over a period of years. The Trust is confident it can meet the increase in contribution levels and this has been factored into future financial plans.

The deficit at 31 August 2023 was £1.4m.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Investment policy

The aim of this policy is to ensure that funds which The Harmony Trust Ltd does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income within acceptable levels of risk.

The Harmony Trust Ltd owns 100% of the issued ordinary share capital of Harmony Trading Services Limited, a company incorporated in England and Wales. The subsidiary is engaged in the supply of services to education. Its financial year end is 31 August 2023.

As and if funds become available for investment, proposals will be presented to the Board of Trustees for their approval.

The main purposes of the investment policy for the Trust are as follows:

- To ensure adequate cash balances are maintained in the current accounts to cover day to day working requirements
- To optimise returns on invested funds, with a minimum level of risk

Principal risks and uncertainties

The principal risks facing the Trust currently are:

- To continue to mitigate the impact of Covid-19 on children's attainment and to increase this for all pupil groups next year
- To manage the impact of cost pressures and reducing pupil numbers on Academy balances and minimise in year deficits
- To secure sufficient resources for children with additional needs and develop more sustainable provision models with local authority commissioners
- To secure further sustainable improvement in Academies that are not yet rated Good and to ensure that all academies continue to improve and overcome the contextual challenges of operating in communities facing disadvantage

The Trustees have a fundamental role to play in the management of risk, and the Board is also responsible for determining which types of risk are acceptable. Any issues which affect the Trust's risk profile or exposure are to be approved by the Board of Trustees which seeks to ensure the appropriate policies and procedures are in place.

The Trustees annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

The Chief Financial Officer has lead operational responsibility for Risk. The Trust maintains a comprehensive Risk Register and changes are reported by exception to the Audit & Risk Committee throughout the year. The Trust is a member of the DfE Risk Protection Arrangements.

The system of internal control is becoming embedded in The Trust and the following are in place to respond to a variety of operational, financial and commercial risk.

Policies and Procedures

Policies are set by Executive Leadership Team and Trustees and implemented by the senior management team across the Harmony Trust Ltd.

Strategic Planning and Budgeting

The strategic planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Medium term financial plans along with projected pupil numbers are reviewed regularly.

Internal Scrutiny Programme

In order to deliver assurance and comply with the Academy Trust Handbook, the trustees appoint external auditors to carry out a process of checking financial systems, controls, transactions and other areas of risk. There is a three-year Audit needs Assessment plan in place and a detailed programme of work to be carried out during the next financial year which will focus on key areas of risk arising from internal controls.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Risk Management Strategy

The Risk Management Strategy adopted by Trustees aims to ensure that the Trust complies with risk management best practice and that the risks classified in the Risk Register as being of high impact and likelihood are addressed and appropriate action is taken.

Financial and risk management objectives and policies

The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the trusts' exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trusts' system of internal controls ensures risk is minimal in these areas.

Where appropriate, systems or procedures have been established to mitigate risk that each academy within the trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of transactions and projects. Trustees have assessed the major risks to which the trust is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the trust and its finances.

Trustees have implemented a number of systems to assess the risk that each academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk.

A material risk for the trust in relation to the defined benefit pension scheme has been mitigated as Parliament has agreed at the request of the Secretary of State for Education to guarantee that in the event of an academy closure, outstanding LGPS pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Fundraising

All fund-raising across the trust will be used to support the following initiatives:

1. HTML Strategy – Harnessing Technology Maximising Learning
2. Read Achieve Succeed

From time-to-time academies carry out fundraising activities for national fund raising initiatives such as Children in Need, Sports Relief etc, these usually take the form of small raffles and seasonal fairs.

Fundraising activities are voluntary there is no expectation to make a contribution and there is transparency as to what the funds will be used for. All proceeds are banked and coded discretely within the academy budgets, once all funds have been received a payment is made to the Charity in question, or released within the budget to be used as intended.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

	2023 kWh	2022 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	4,190,785	4,449,478
- Fuel consumed for transport	53,183	31,613
- Electricity purchased	1,581,441	1,654,170
	<u>5,825,409</u>	<u>6,135,261</u>
	2023	2022
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	765.07	812.21
- Fuel consumed for owned transport	-	-
	<u>765.07</u>	<u>812.21</u>
Scope 2 - indirect emissions		
- Electricity purchased	327.48	319.88
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust	12.36	7.56
	<u>1,104.91</u>	<u>1,139.65</u>
Total gross emissions		
	<u>1,104.91</u>	<u>1,139.65</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.21	0.24
	<u>0.21</u>	<u>0.24</u>

Quantification and reporting methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Harmony Trust has retendered electricity contracts and supply is now renewable biomass electricity. This helps reduce carbon emissions and drives forward energy efficiency.

ENERGY: Electricity supply is renewable biomass electricity across the Trust. The Asset Management plan has identified a programme of boiler replacements and all new boilers are/will be biodegradable. We have invested in LED lighting across the Trust estate with the aim of reducing energy consumption.

ICT: Invested in software to complete automatic shut-downs of computers at 7pm each evening. This prevents unnecessary energy usage for PC's left in standby mode. ICT utilises cloud computing wherever possible. The Trust HTML Strategy has significantly reduced printing levels and reduced pc emission levels.

MILEAGE: The Trust has introduced a Hybrid Home-Working Policy which aims to reduce travel to/from work and we continue to utilise technology for meetings to avoid unnecessary travel.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

The expansion of Harmony Trust has always been guided by the aims of ensuring more children can benefit from an excellent education and creating more opportunities for staff to progress their careers and collaborate with a wider group of practitioners. Ensuring that growth does not compromise the education of the children currently in Harmony Academies has been of overriding importance.

These remain the principles behind our approach to growth. The long-term direction of Harmony is to continue to grow as an organisation and support children, communities and schools where we are best placed to improve the quality of education they experience. Our geographical focus will continue to be on the East Midlands and the North West and building purposeful partnerships that enhance the opportunities for our children and staff, particularly in more disadvantaged contexts. The Trust also plans to develop its model of Inclusion Hubs (specialist provision within mainstream settings) and develop its external educational services further, particularly in the provision of CPD programmes to other schools and providers.

Over the coming year, Harmony will lead aspects of the Government's Priority Education Investment Area initiative in Tameside as part of the Education Plan there.

Business strategy

- To improve the viability of academies with falling pupil rolls through specific projects to offer early years and specialist provision from their sites
- Continue to develop services for the Trust that are effective and efficient, and ensure that academies have access to high quality support from the Trust
- Continue to develop and provide enhanced high-quality education, business and finance services to accelerate improvement
- Increase the scope of centralised workforces for leadership, teaching and support staff to enable maximum flexibility in meeting the staffing needs in academies while responding to fluctuating pupil numbers over time
- To continue to implement robust Business Continuity plans
- Actively seek out opportunities to attract capital investment, particularly for academies in need of rebuilding and Inclusion Hubs
- Actively seek out opportunities to access Government capacity funding for further expansion

Finance strategy

- Maintain a 3-year budget plan / Medium Term Financial Strategy to support the Trust Strategic Plan and ensure resources can be allocated swiftly to need
- Ensure that there are sustainable reserves that enables the Trust to pursue initiatives that benefit all children across the academies
- Ensure robust mechanisms are in place to comply with statutory policies and regulations
- Enhance the Finance Round Table termly reviews to ensure better value for money/deeper understanding of budgets
- Ensure there is a defined Internal Scrutiny Programme in place that meets all requirements of the Academies Trust Handbook
- Continual review and improvement of financial management and planning including the use of benchmarking

Leadership strategy

- Ensure the Trust has high quality Leadership and infrastructure through succession planning, and effective financial management and planning
- To develop actively the next cohort of middle and senior leaders both in the academies and in the central team through investment in their development
- To ensure that all existing executive and senior leaders are involved in taking forward the Trust Strategic Plan and improvement priorities

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

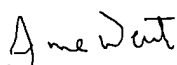
Auditor

In so far as the Trustees are aware:

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

A resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 29 November 2023 and signed on its behalf by:



A Weinstock
Chair of Trustees

THE HARMONY TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Harmony Trust Ltd and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year.

All meetings have continued to be held remotely. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
A Weinstock (Chair of Trustees)	2	3
C Thorne (Chair of Finance Committee)	3	3
G McGuffie	2	3
N Hole (Resigned 12 July 2023)	2	3
O Smythe	2	3
I Robinson	3	3
E Farmer (Resigned 31 December 2022)	0	1
A Lant	2	3
B Flynn	2	3
B Iqbal (Appointed 24 April 2023)	1	1
H Cairns (Appointed 28 November 2022)	2	2
N Saleh (Appointed 20 June 2023)	1	1

The Board incorporates Trustees with particular experience in working in senior positions within the education sector and who are well placed to support and challenge the Executive Leadership.

The feedback from the successive Ofsted reports about the effectiveness and impact of governance has been very encouraging and reinforced confidence in the model of differentiated challenge and support from Trustees to individual academies and their leaders. In October 2022 Ofsted Inspectors noted 'Trustees work closely with leaders to provide support and challenge. They ask insightful questions of leaders. Trustees check that the school's arrangements for safeguarding are robust'.

Members have been proactive, keeping in touch with strategic developments over the period. The Trust has five members, none of whom are Trustees.

The Trust's Governance is supported by a Governance Professional, who supports the review of effectiveness of Governance mechanisms and ensures business is dealt with in a timely fashion.

THE HARMONY TRUST LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

In response to the previous year's annual review and skills audit, Trustee recruitment during the year met the strategic objective to further enhance particular areas of expertise, and strengthen the diversity of the Board.

The Finance Committee and Audit and Risk Committee are separate subcommittees of the main Board of Trustees; their purpose is to assist the decision making of the Board of Trustees, by enabling more detailed discussion and consideration on matters concerning the Trusts financial management, utilisation of resources, risk management, and audit matters. As with Board, meetings took place online.

The CEO and CFO also meet with the Chair of the Board and Chair of Finance Committee on a termly basis to consider the Trusts Medium Term Financial Strategy in more detail.

Finance was also covered by the main Board during the year.

Attendance at Finance Committee in the year was as follows:

Trustees	Meetings attended	Out of possible
A Weinstock (Chair of Trustees)	3	3
C Thorne (Chair of Finance Committee)	3	3
G McGuffie	3	3
N Hole (Resigned 12 July 2023)	2	3
O Smythe	1	3
I Robinson	3	3
B Flynn	2	3

Attendance at Audit and Risk Committee in the year was as follows:

Trustees	Meetings attended	Out of possible
A Weinstock (Chair of Trustees)	3	3
G McGuffie	3	3
O Smythe	3	3
I Robinson	3	3
E Farmer (Resigned 31 December 2022)	0	1
B Iqbal (Appointed 24 April 2023)	1	1
H Cairns (Appointed 28 November 2022)	2	2
N Saleh (Appointed 20 June 2023)	1	1

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 use of its resources has provided good value for money during each academic year, and reports to the Trustees where value for money can be improved, including the use of benchmarking data where available. The Trust has delivered improved value for money during the year by:

- Adhering to Financial Regulations and getting quotes as necessary
- Using preferred suppliers
- Retendering contracts as necessary
- Obtaining economies of scale by procuring contracts at trust level
- Developing an agile work-force to support the allocation of deployment where needs arise

THE HARMONY TRUST LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Harmony Trust Ltd for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks

Internal Scrutiny is provided by our internal auditor, Wylie & Bisset LLP.

The internal scrutiny role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Budgetary Control and Reporting
- HR Systems
- Risk Management
- Procurement

The Audit Needs Assessment (ANA) has identified the following areas for review in the coming finance year:

- Governance
- Academy Trust Handbook Compliance
- Bursary & Pupil Premium Allocation
- GDPR

On a termly basis, the internal auditor reports to the Board of Trustees through the Audit & Risk Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees, and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned. At the date of signing the statutory report there was no material control issues arising as a result of the internal scrutiny work.

THE HARMONY TRUST LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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:

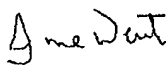
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the Executive Leaders within the Academy Trust who have responsibility for the development and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

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

Conflicts of interest

The Trust maintains an up-to-date and complete register of interests. Conflict of interests is a standing item on all full board meeting and committee meeting agendas in order to give Trustees the opportunity to declare any interests in general, and specifically in relation to the agenda itself. This is formally minuted. Should any interests be declared, the relevant Trustee would abstain from any discussion or decision making for that agenda item.

Approved by order of the Board of Trustees on 29 November 2023 and signed on its behalf by:



A Weinstock
Chair of Trustees



A Hughes
Accounting Officer

THE HARMONY TRUST LTD

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of The Harmony Trust Ltd, I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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

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

AP Hughes

A Hughes
Accounting Officer

29 November 2023

THE HARMONY TRUST LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of The Harmony Trust Ltd for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

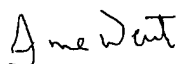
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 29 November 2023 and signed on its behalf by:



A Weinstock
Chair of Trustees

THE HARMONY TRUST LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HARMONY TRUST LTD

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of The Harmony Trust Ltd for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE HARMONY TRUST LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HARMONY TRUST LTD (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

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

THE HARMONY TRUST LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HARMONY TRUST LTD (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and those charged with governance concerning actual and potential litigation claims;
- in assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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



Stephen Grayson ACA FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

29 November 2023

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

THE HARMONY TRUST LTD

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HARMONY TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 11 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Harmony Trust Ltd during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Harmony Trust Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Harmony Trust Ltd's funding agreement with the Secretary of State for Education dated 29 September 2015 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

In line with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued April 2023, we have not performed any additional procedures regarding the academy trust's compliance with safeguarding, health and safety and estates management.

THE HARMONY TRUST LTD

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HARMONY TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Dated: 29 November 2023

THE HARMONY TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and capital grants	3	285,010	-	907,732	1,192,742
Charitable activities:					
- Funding for educational operations	4	564,913	31,752,264	-	32,317,177
Other trading activities	5	155,069	-	-	155,069
Total		1,004,992	31,752,264	907,732	33,664,988
Expenditure on:					
Raising funds	6	9,373	-	-	9,373
Charitable activities:					
- Educational operations	8	923,000	33,412,111	2,404,065	36,739,176
Total	6	932,373	33,412,111	2,404,065	36,748,549
Net income/(expenditure)		72,619	(1,659,847)	(1,496,333)	(3,083,561)
Transfers between funds	18	(419,000)	776,126	(357,126)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	25	-	4,750,000	-	4,750,000
Restriction for pension scheme asset	25	-	(1,823,000)	-	(1,823,000)
Net movement in funds		(346,381)	2,043,279	(1,853,459)	(156,561)
Reconciliation of funds					
Total funds brought forward		1,777,763	(3,009,002)	78,416,357	77,185,118
Total funds carried forward		1,431,382	(965,723)	76,562,898	77,028,557

THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2022 £
Income and endowments from:					
Donations and capital grants	3	19,975	-	1,019,681	1,039,656
Charitable activities:					
- Funding for educational operations	4	386,620	30,319,651	-	30,706,271
Other trading activities	5	247,039	-	-	247,039
Total		<u>653,634</u>	<u>30,319,651</u>	<u>1,019,681</u>	<u>31,992,966</u>
Expenditure on:					
Raising funds	6	16,676	-	-	16,676
Charitable activities:					
- Educational operations	8	600,000	34,873,871	2,406,859	37,880,730
Total	6	<u>616,676</u>	<u>34,873,871</u>	<u>2,406,859</u>	<u>37,897,406</u>
Net income/(expenditure)		36,958	(4,554,220)	(1,387,178)	(5,904,440)
Transfers between funds	18	-	267,845	(267,845)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	25	-	24,153,000	-	24,153,000
Net movement in funds		<u>36,958</u>	<u>19,866,625</u>	<u>(1,655,023)</u>	<u>18,248,560</u>
Reconciliation of funds					
Total funds brought forward		1,740,805	(22,875,627)	80,071,380	58,936,558
Total funds carried forward		<u>1,777,763</u>	<u>(3,009,002)</u>	<u>78,416,357</u>	<u>77,185,118</u>

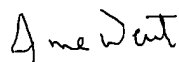
THE HARMONY TRUST LTD

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12	76,272,724		78,265,705	
Investments	13		1		1
		76,272,725		78,265,706	
Current assets					
Debtors	14	1,681,977		1,723,074	
Cash at bank and in hand		2,991,008		3,919,048	
		4,672,985		5,642,122	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,471,553)		(2,920,739)	
Net current assets		2,201,432		2,721,383	
Total assets less current liabilities		78,474,157		80,987,089	
Creditors: amounts falling due after more than one year	16	(28,600)		(41,971)	
Net assets excluding pension liability		78,445,557		80,945,118	
Defined benefit pension scheme liability	25	(1,417,000)		(3,760,000)	
Total net assets		77,028,557		77,185,118	
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds		76,562,898		78,416,357	
- Restricted income funds		451,277		750,998	
- Pension reserve		(1,417,000)		(3,760,000)	
Total restricted funds		75,597,175		75,407,355	
Unrestricted income funds	18	1,431,382		1,777,763	
Total funds		77,028,557		77,185,118	

The accounts on pages 34 to 59 were approved by the Trustees and authorised for issue on 29 November 2023 and are signed on their behalf by:



A Weinstock
Chair of Trustees

Company registration number 08840373 (England and Wales)

THE HARMONY TRUST LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash used in operating activities	22		(1,411,317)		(602,273)
Cash flows from investing activities					
Capital grants from DfE Group		907,732		1,019,681	
Purchase of tangible fixed assets		(411,084)		(752,336)	
Net cash provided by investing activities			496,648		267,345
Cash flows from financing activities					
Repayment of other loan		(13,371)		(13,370)	
Net cash used in financing activities			(13,371)		(13,370)
Net decrease in cash and cash equivalents in the reporting period			(928,040)		(348,298)
Cash and cash equivalents at beginning of the year			3,919,048		4,267,346
Cash and cash equivalents at end of the year			2,991,008		3,919,048

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

The Harmony Trust Ltd is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

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

The Harmony Trust Ltd meets the definition of a public benefit entity under FRS102.

1.2 Going concern

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

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

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

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

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.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets on conversion

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

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

All assets costing more than £5,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the multi academy trust's depreciation policy.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated value, over their expected useful lives on the following bases:

Long leasehold buildings*	2% - 20% straight line
Computer equipment	20% - 33% straight line
Fixtures, fittings & equipment	6.67% - 20% straight line

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

*Long leasehold buildings are depreciated over the useful economic life of each component as stated in the professional valuation. Components include the building structure, internal fittings, internal services, roof and externals.

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 Leased assets

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

1.8 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Financial activities.

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.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.13 Private Finance Initiative

The school buildings for Cottons Farm Primary Academy and Lakeside Primary Academy were built under a Private Finance Initiative ("PFI") agreement between Derby City Council (DCC), and a contractor.

When the schools converted to academies and became members of the Trust on 1 September 2018 and 1 January 2019 respectively, the agreement was legally amended to take account of the changes in circumstances. For the length of the agreement DCC undertake to fund the payments under the PFI Agreement. The proportion of the cost that relates to the operation and maintenance of the building is charged to The Harmony Trust Ltd by DCC on a quarterly basis.

Therefore, DCC funds the capital and finance costs payments under the agreement.

The cost included in these financial statements for the year ended 31 August 2023 is £609,004 (2022 - £580,411) and it is included in the statement of financial activities under the academy's educational operations. Each year the payments are subject to the retail price index.

Prior to conversion, the school buildings were included on the balance sheet within the financial statements for DCC. Following conversion to academy status, the properties have been transferred to the Harmony Trust Ltd and reflected in the financial statements within fixed assets.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 5.2% is a considerable increase on the 4.3% used in 2022. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £3.8m to £1.4m during the year.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	907,732	907,732	1,019,681
Other donations	285,010	-	285,010	19,975
	<u>285,010</u>	<u>907,732</u>	<u>1,192,742</u>	<u>1,039,656</u>

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	23,601,284	23,601,284	23,545,010
Other DfE/ESFA grants:				
- Pupil premium	-	2,827,588	2,827,588	2,625,612
- Others	-	2,350,957	2,350,957	1,549,543
	<u>-</u>	<u>28,779,829</u>	<u>28,779,829</u>	<u>27,720,165</u>
Other government grants				
Local authority grants	-	2,972,435	2,972,435	2,599,486
	<u>-</u>	<u>2,972,435</u>	<u>2,972,435</u>	<u>2,599,486</u>
Other incoming resources	<u>564,913</u>	<u>-</u>	<u>564,913</u>	<u>386,620</u>
Total funding	<u>564,913</u>	<u>31,752,264</u>	<u>32,317,177</u>	<u>30,706,271</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Other income	64,648	-	64,648	184,528
Facilities hire	90,421	-	90,421	62,511
	<u>155,069</u>	<u>-</u>	<u>155,069</u>	<u>247,039</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2023	2022
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	9,373	9,373	16,676
Academy's educational operations					
- Direct costs	20,917,621	2,146,070	1,644,748	24,708,439	23,599,538
- Allocated support costs	6,276,716	2,326,882	3,427,139	12,030,737	14,281,192
	<u>27,194,337</u>	<u>4,472,952</u>	<u>5,081,260</u>	<u>36,748,549</u>	<u>37,897,406</u>

Net income/(expenditure) for the year includes:

	2023	2022
	£	£
Operating lease rentals	275,949	283,510
Depreciation of tangible fixed assets	2,404,065	2,406,859
Fees payable to auditor for:		
- Audit	25,300	25,250
- Other services	9,515	7,900
Net interest on defined benefit pension liability	<u>168,000</u>	<u>427,000</u>

7 Central services

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

- human resources;
- financial services;
- educational support services;
- data, safeguarding and health and safety;
- business administration & compliance;
- development team;
- HTML strategy;
- multi disciplinary teams (MDT);
- ICT support service;
- site management support services;
- others as arising.

The academy trust charges for these services on the following basis:

- 5% of Funding for core services
- Direct recharge
- Allocated charge using Autumn census pupil numbers
- Any additional services provided are charged on a time apportioned basis throughout the year

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Central services

(Continued)

The amounts charged during the year were as follows:

	2023 £	2022 £
Lakeside Primary Academy	479,581	442,526
Cottons Farm Primary Academy	102,307	106,899
Alvaston Junior Academy	353,257	281,915
Reigate Park Primary Academy	373,347	302,228
Carlyle Infant and Nursery Academy	176,348	138,911
Hackwood Primary Academy	240,300	153,540
Ash Croft Primary Academy	202,772	143,221
Village Primary Academy	595,012	486,533
Cavendish Close Junior Academy	327,544	256,840
Northmoor Academy	491,630	437,867
Richmond Academy	380,501	357,737
Westwood Academy	245,044	212,966
Alt Academy	384,293	283,734
Greenhill Academy	421,391	372,148
Greenfield Primary Academy	261,800	226,998
	<u>5,035,127</u>	<u>4,204,063</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Direct costs				
Educational operations	-	24,708,439	24,708,439	23,599,538
Support costs				
Educational operations	923,000	11,107,737	12,030,737	14,281,192
	<u>923,000</u>	<u>35,816,176</u>	<u>36,739,176</u>	<u>37,880,730</u>

	2023 £	2022 £
Analysis of support costs		
Support staff costs	6,359,998	8,398,878
Depreciation	257,995	253,648
Technology costs	392,340	386,406
Premises costs	2,068,887	2,120,149
Legal costs	13,316	15,831
Other support costs	2,906,551	3,067,380
Governance costs	31,650	38,900
	<u>12,030,737</u>	<u>14,281,192</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	19,300,853	18,060,909
Social security costs	1,848,331	1,755,017
Pension costs	4,455,441	6,798,978
Staff costs - employees	25,604,625	26,614,904
Agency staff costs	1,508,735	1,376,275
Staff restructuring costs	80,977	106,464
	27,194,337	28,097,643
Staff development and other staff costs	83,282	76,741
Total staff expenditure	27,277,619	28,174,384

Staff restructuring costs comprise:

Severance payments	80,977	106,464
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Severance payments

The academy trust paid 3 severance payments in the year, disclosed in the following bands:

£0 - £25,000	1
£25,001 - £50,000	2

Staff numbers

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

	2023 Number	2022 Number
Teachers	273	272
Administration and support	503	526
Management	9	11
	785	809

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	13	12
£70,001 - £80,000	8	5
£80,001 - £90,000	2	5
£90,001 - £100,000	3	2
£110,001 - £120,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>28</u>	<u>25</u>

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,123,986 (2022: £1,335,943).

10 Trustees' remuneration and expenses

None of the Trustees has been paid remuneration or has 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, and not in respect of their services as Trustees.

During the period ended 31 August 2023, travel and subsistence expenses of £Nil (2022: £Nil) were reimbursed or paid directly to 0 Trustees (2022: 0 Trustees).

11 Trustees' and officers' insurance

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

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Tangible fixed assets

	Long leasehold buildings*	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2022	88,641,920	886,964	842,245	90,371,129
Additions	215,351	61,131	134,602	411,084
At 31 August 2023	88,857,271	948,095	976,847	90,782,213
Depreciation				
At 1 September 2022	11,083,306	623,864	398,254	12,105,424
Charge for the year	2,146,070	185,304	72,691	2,404,065
At 31 August 2023	13,229,376	809,168	470,945	14,509,489
Net book value				
At 31 August 2023	75,627,895	138,927	505,902	76,272,724
At 31 August 2022	77,558,614	263,100	443,991	78,265,705

* Included in the additions of leasehold buildings is the capitalisation of improvements of £215,351 which were carried out in the year. The additions are included at cost.

13 Fixed asset investments

	£
Historical cost:	
At 31 August 2023	1
At 31 August 2022	1

The Harmony Trust Ltd owns 100% of the issued ordinary share capital of Harmony Trading Services Limited, a company incorporated in England and Wales. The subsidiary is engaged in the supply of services to education. Its financial year end is 31 August 2023.

The accounts of the subsidiary do not justify consolidation, as Harmony Trading Services Limited is not deemed to be material to the organisation as a whole. The materiality of the Trading company will be reviewed on an annual basis, thus ensuring that the financial statements continue to be prepared using best accounting practice.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Debtors

	2023 £	2022 £
Trade debtors	163,009	71,813
Other debtors	230,883	614,464
Prepayments and accrued income	1,288,085	1,036,797
	<u>1,681,977</u>	<u>1,723,074</u>

Prepayments and accrued income includes £44,814 (2022 - £Nil) in respect of rates relief and pupil premium of £491,606 (2022 - £450,162).

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Other loans	7,279	7,279
Trade creditors	207,565	512,204
Other taxation and social security	416,736	435,236
Other creditors	496	741
Accruals and deferred income	1,839,477	1,965,279
	<u>2,471,553</u>	<u>2,920,739</u>

16 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other loans	<u>28,600</u>	<u>41,971</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Creditors: amounts falling due after more than one year

(Continued)

	2023 £	2022 £
Analysis of loans		
Wholly repayable within five years	35,879	49,250
Less: included in current liabilities	(7,279)	(7,279)
Amounts included above	<u>28,600</u>	<u>41,971</u>
Loan maturity		
Debt due in one year or less	7,279	7,279
Due in more than one year but not more than two years	7,279	7,279
Due in more than two years but not more than five years	18,275	19,462
Due in more than five years	3,046	15,229
	<u>35,879</u>	<u>49,249</u>

Included within other loans is a loan of £5,144 (2022 - £7,716) from SALIX under the Condition Improvement Fund provided on the following terms: Interest free, repayable over eight years by 16 six monthly payments of £1,286 commencing 1 September 2017.

Also included within other loans are further loans of £6,572 (2022 - £8,450) and £14,748 (2022 - £18,962) from SALIX under the Condition Improvement Fund, which are provided on the following terms: Interest free, repayable over 14 years by 16 six monthly payments of £939 and £2,107 commencing September 2026.

Also included within other loans are further loans of £9,415 (2022 - £14,122) loan from SALIX under the Condition Improvement Fund which are provided on the following terms: Interest free, repayable over the loans remaining 4 years in 8 six monthly payments of £2,354.

17 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	<u>1,122,899</u>	<u>1,270,650</u>
Deferred income at 1 September 2022	1,270,650	1,308,525
Released from previous years	(1,270,650)	(1,308,525)
Resources deferred in the year	<u>1,122,899</u>	<u>1,270,650</u>
Deferred income at 31 August 2023	<u>1,122,899</u>	<u>1,270,650</u>

Included within deferred income at the balance sheet date are the following key balances which the trust was holding funds received in advance:

- School Capital Funding of £491,972 (2022 - £518,643)
- Universal Infant Free School Meals £279,720 (2022 - £268,316)
- Early Years Funding of £174,798 (2022 - £86,168)
- Other funding £176,409 (2022 - £397,523)

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	596,375	23,601,284	(24,969,859)	776,126	3,926
Pupil premium	-	2,827,588	(2,726,390)	-	101,198
Other DfE/ESFA grants	-	2,350,957	(2,350,957)	-	-
Other government grants	154,623	2,972,435	(2,780,905)	-	346,153
Pension reserve	(3,760,000)	-	(584,000)	2,927,000	(1,417,000)
	<u>(3,009,002)</u>	<u>31,752,264</u>	<u>(33,412,111)</u>	<u>3,703,126</u>	<u>(965,723)</u>
Restricted fixed asset funds					
Inherited on conversion	77,034,513	-	(2,153,211)	-	74,881,302
DfE group capital grants	1,381,844	907,732	(250,854)	(357,126)	1,681,596
	<u>78,416,357</u>	<u>907,732</u>	<u>(2,404,065)</u>	<u>(357,126)</u>	<u>76,562,898</u>
Total restricted funds	<u>75,407,355</u>	<u>32,659,996</u>	<u>(35,816,176)</u>	<u>3,346,000</u>	<u>75,597,175</u>
Unrestricted funds					
General funds	1,777,763	1,004,992	(932,373)	(419,000)	1,431,382
Total funds	<u>77,185,118</u>	<u>33,664,988</u>	<u>(36,748,549)</u>	<u>2,927,000</u>	<u>77,028,557</u>

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

Restricted Funds

The General Annual Grant (GAG) is used specifically for the normal running costs incurred in delivering the objects of the Trust as set out in the Company's Articles.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The other funds identified within restricted general funds are spent in line with the criteria attached to them

Restricted fixed asset funds

The capital grants include DfE and School Capital Allowance funding from the ESFA and amounts inherited on conversion.

Unrestricted funds

Unrestricted funds are those other resources which may be used to further the objectives of the Academy and include the balance transfer of cash from the date of conversion to an academy.

The academy trust is carrying a net surplus of £1.9m restricted general funds (excluding pension reserve) plus unrestricted funds as at 31 August 2023.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	1,445,803	23,545,010	(24,662,283)	267,845	596,375
Pupil premium	-	2,625,612	(2,625,612)	-	-
Other DfE/ESFA grants	-	1,549,543	(1,549,543)	-	-
Other government grants	170,000	2,599,486	(2,614,863)	-	154,623
Funding for Teaching school	12,570	-	(12,570)	-	-
Pension reserve	(24,504,000)	-	(3,409,000)	24,153,000	(3,760,000)
	<u>(22,875,627)</u>	<u>30,319,651</u>	<u>(34,873,871)</u>	<u>24,420,845</u>	<u>(3,009,002)</u>
Restricted fixed asset funds					
Inherited on conversion	79,143,706	-	(2,109,193)	-	77,034,513
DfE group capital grants	927,674	1,019,681	(297,666)	(267,845)	1,381,844
	<u>80,071,380</u>	<u>1,019,681</u>	<u>(2,406,859)</u>	<u>(267,845)</u>	<u>78,416,357</u>
Total restricted funds	<u>57,195,753</u>	<u>31,339,332</u>	<u>(37,280,730)</u>	<u>24,153,000</u>	<u>75,407,355</u>
Unrestricted funds					
General funds	<u>1,740,805</u>	<u>653,634</u>	<u>(616,676)</u>	<u>-</u>	<u>1,777,763</u>
Total funds	<u>58,936,558</u>	<u>31,992,966</u>	<u>(37,897,406)</u>	<u>24,153,000</u>	<u>77,185,118</u>

Total funds analysis by academy

Fund balances for each academy as at 31 August 2023 and 31 August 2022 were zero, hence a breakdown by academy is not included in these accounts.

Total cost analysis by academy

The academy trust operates by pooling its reserves and managing them at trust level. Accordingly, no analysis of expenditure by individual academy would be meaningful to present here.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	76,272,724	76,272,724
Fixed asset investments	-	-	1	1
Current assets	1,431,382	2,951,430	290,173	4,672,985
Current liabilities	-	(2,471,553)	-	(2,471,553)
Non-current liabilities	-	(28,600)	-	(28,600)
Pension scheme liability	-	(1,417,000)	-	(1,417,000)
Total net assets	1,431,382	(965,723)	76,562,898	77,028,557

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	78,265,705	78,265,705
Fixed asset investments	-	-	1	1
Current assets	1,777,763	3,713,708	150,651	5,642,122
Current liabilities	-	(2,920,739)	-	(2,920,739)
Non-current liabilities	-	(41,971)	-	(41,971)
Pension scheme liability	-	(3,760,000)	-	(3,760,000)
Total net assets	1,777,763	(3,009,002)	78,416,357	77,185,118

20 Capital commitments

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	46,927	223,000

Both the 2023 and 2022 balance relate to the outstanding commitments on building projects.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Long-term commitments

Operating leases

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

	2023 £	2022 £
Amounts due within one year	268,988	266,315
Amounts due in two and five years	273,783	584,235
	<u>542,771</u>	<u>850,550</u>

Consideration of Cottons and Lakeside PFI Buildings

On conversion to an academy trust, the PFI properties were transferred from Derby City Council to the school via a donation. No Liability has arisen as a result of these transactions as Derby City Council retained ultimate responsibility for the outstanding capital finance. However, a financial commitment exists for the schools in the form of PFI quarterly charges to cover the service charge element of the unitary charge payable by Derby City Council. The commitment amounts to a £435,618 within 1 year, £1,742,472 within 2-5 years, and £871,236 in over 5 years, subject to an increase which is linked to the retail price index. The PFI contributions are recognised within the SOFA.

22 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £	2022 £
Net expenditure for the reporting period (as per the statement of financial activities)		(3,083,561)	(5,904,440)
Adjusted for:			
Capital grants from DfE and other capital income		(907,732)	(1,019,681)
Defined benefit pension costs less contributions payable	25	416,000	2,982,000
Defined benefit pension scheme finance cost	25	168,000	427,000
Depreciation of tangible fixed assets		2,404,065	2,406,859
Decrease in debtors		41,097	70,453
(Decrease)/increase in creditors		(449,186)	435,536
Net cash used in operating activities		<u>(1,411,317)</u>	<u>(602,273)</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	3,919,048	(928,040)	2,991,008
Loans falling due within one year	(7,279)	-	(7,279)
Loans falling due after more than one year	(41,971)	13,371	(28,600)
	<u>3,869,798</u>	<u>(914,669)</u>	<u>2,955,129</u>

24 Members' liability

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

25 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

25 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge),
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million,
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI and is based on the Office for Budget Responsibility's forecast for long-term GDP Growth.

The revised employer contribution rate, arising from the 2020 valuation, is due to be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The total contributions made for the year ended 31 August 2023 to TPS was £3,370,368 (2022 - £3,129,411) of which employer's contributions totalled £2,417,963 (2022 - £2,241,444) and employees' contributions totalled £952,405 (2022 - £887,967).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.0%-23.9% for employers and 5.5%-12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £	2022 £
Employer's contributions	1,624,000	1,558,000
Employees' contributions	483,000	467,000
Total contributions	2,107,000	2,025,000
Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.8-4.0	3.8-3.9
Rate of increase for pensions in payment/inflation	3.0	3.1-3.2
Discount rate for scheme liabilities	5.2	4.3

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

25 Pension and similar obligations

(Continued)

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

	2023 Years	2022 Years
Retiring today		
- Males	19.1-22.4	20.3-23.2
- Females	22.4-24.0	23.2-23.8
Retiring in 20 years		
- Males	19.2-24.6	21.6-25.1
- Females	24.0-25.3	25.1-25.6

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

	2023 £	2022 £
0.1% decrease in Real Discount Rate	647,000	702,000
1 year increase in Member Life Expectancy	999,000	1,048,000
0.1% increase in the Pension Increase Rate (CPI)	570,000	620,000
0.1% increase in the Salary Increase Rate	90,000	88,000

Defined benefit pension scheme net liability

	2023 £	2022 £
Scheme assets	25,211,000	22,478,000
Scheme obligations	(24,805,000)	(26,238,000)
Surplus / (deficit) in scheme	406,000	-
Restriction on scheme assets	(1,823,000)	-
Net liability	(1,417,000)	(3,760,000)

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

	2023 Fair value £	2022 Fair value £
Equities	17,315,000	15,314,000
Bonds	4,417,000	3,833,000
Cash	1,462,000	1,308,000
Property	2,017,000	2,023,000
Total market value of assets	25,211,000	22,478,000

The actual return on scheme assets was £938,000 (2022: £(404,000)).

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

25 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	2,040,000	4,524,000
Past service cost	-	16,000
Interest income	(993,000)	(363,000)
Interest cost	1,161,000	790,000
Total operating charge	2,208,000	4,967,000

Changes in the present value of defined benefit obligations

2023
£

At 1 September 2022	26,238,000
Current service cost	2,040,000
Interest cost	1,161,000
Employee contributions	483,000
Actuarial gain	(4,805,000)
Benefits paid	(312,000)
At 31 August 2023	24,805,000

Changes in the fair value of the academy trust's share of scheme assets

2023
£

At 1 September 2022	22,478,000
Interest income	993,000
Actuarial loss	(55,000)
Employer contributions	1,624,000
Employee contributions	483,000
Benefits paid	(312,000)
At 31 August 2023	25,211,000

26 Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the year of account. Trustee expenses are disclosed in note 10.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Related party transactions

(Continued)

Expenditure related party transactions

Learn Sheffield - a company in which A Hughes, CEO is a director.

The academy trust did not make any purchases of consultancy services from Learn Sheffield (2022 - £2,160) during the period. There were no amounts outstanding at 31 August 2023 (2022: £Nil).

The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which A Hughes neither participated in, nor influenced.

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook.

The Harmony Trust Ltd owns 100% of the issued ordinary share capital of Harmony Trading Services Limited. The company has taken advantage of the exemption in FRS102 not to disclose transactions with wholly owned subsidiaries.