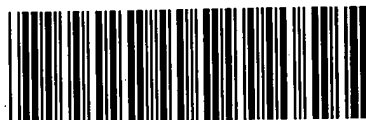


Company Registration No. 09148738 (England and Wales)

LEARNING IN HARMONY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2015

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LEARNING IN HARMONY MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Directors' responsibilities	16
Independent auditor's report on the accounts	17 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Notes to the accounts	24 - 43

LEARNING IN HARMONY MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

S Alade (Appointed 28 July 2014) *
H Hinchliffe (Appointed 28 July 2014) *
J King (Appointed 28 July 2014)
L McClay (Appointed 1 January 2015)
I Mussa (Appointed 4 February 2015)
P Quinn (Chair) (Appointed 9 September 2014)
D Rochford (Appointed 1 September 2014)
G Wilkie (Accounting Officer) (Appointed 1 September 2014) *
C Darley (Appointed 8 July 2015)
N Turvey (Appointed 13 October 2015)
P Haslett (Appointed 13 October 2015)
J Marriott (Appointed 13 October 2015)

* members of the Finance and Audit Committee

Members

P Collier
P Grant
A Harun

Senior leadership team

G Wilkie	- Executive Headteacher -Sheringham Primary School
L McClay	- Acting Principal - Sheringham Primary School
D Rochford	- Executive Headteacher - John F Kennedy

Company registration number

09148738 (England and Wales)

Registered office

Sheringham Primary School
Sheringham Avenue
Manor Park
London
London
E12 5PB
United Kingdom

Academies operated

John F Kennedy School
Sheringham Primary School
Learning in Harmony Trust

Location

Stratford
Manor Park
Manor Park

Principal

D Rochford
L McClay
G Wilkie

Independent auditor

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
BR6 ONZ

LEARNING IN HARMONY MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds bank
39 Threadneedle Street
London
EC2R 8AU

Solicitors

Stone King LLP
Boundary House
97 Chaterhouse Street
London
EC1M 6HR

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2015

The Directors present their report together with the financial statements and auditor's report of the charitable company for the period 28 July 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a director's report under company law.

For that period, the Trust operated two academies, John F Kennedy Special School and Sheringham Primary School, for pupils aged 4 to 19 and 4 to 11 mostly servicing a catchment area in Newham. In the school census on 16/01/2015, John F Kennedy Special School had a pupil capacity of 104 and had a roll of 103. Sheringham Primary School had a pupil capacity of 660 and had a roll of 639.

Structure, governance and management

Constitution

The Multi Academy Trust is a company limited by guarantee with no share capital (registration no. 09148738) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Directors act as the Trustees for the charitable activities of Learning in Harmony Multi Academy Trust and are also Directors of the charitable company for the purposes of company law. The charitable company is known as Learning in Harmony Trust. Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The Learning in Harmony Multi Academy Trust was incorporated on 28 July 2014 and obtained Academy status for both schools from 1 September 2014.

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/she is a member, or within one period after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Principal activities

The principal activity of the Multi Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Method of recruitment and appointment or election of directors

The members of the Learning in Harmony Multi Academy Trust Board shall comprise the signatories to the Memorandum, 1 person appointed by and from amongst the members of the Local Governing Body of Sheringham Primary School, 1 person appointed by and from amongst the members of the Local Governing Body of John F Kennedy Special School, the Chairman of the Directors and any person appointed under Article 16.

The number of Directors shall be not less than 3, but shall not be subject to a maximum. The first Directors shall be those named in the initial Memorandum. The Academy Trust shall have the following Directors: up to 8 Directors appointed by the members, the Chief Executive Officer, the principal of Sheringham Primary School, the principal of John F Kennedy Special School, 1 person appointed by and from amongst the members of the Local Governing Body of Sheringham Primary School, 1 person appointed by and from amongst the members of the Local Governing Body of John F Kennedy Special School. The parental representation at the Trust is through 2 parent governors at each of the Local Governing Bodies. The Trust may also have any Co-opted Directors, a person who is appointed to be a Director by being co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Multi Academy Trust as a Co-opted Director if the number of Directors who are employed by the Multi Academy Trust would thereby exceed one third of the total number of Directors (including the Chief Executive Officer and Principals).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Chief Executive Officer or the Principals/ Headteachers. Subject to remaining eligible to be a particular type of Director, Directors may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of directors

During the period under review the Directors held 6 meetings. The training and induction provided for new Directors will depend on their existing experience. All new Directors will be given a tour of the Trust's Academies and the chance to meet with staff and students. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a period, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The structure consists of three levels: the Directors, Senior Leadership Team and Staff employed on the the leadership spine across the members schools who meet monthly. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Multi Academy Trust by the use of budgets and making major decisions about the direction of the Trust, its capital expenditure and senior staff appointments.

Each Academy has in place a local Governing Body, to which the Head Teacher reports; the Governing Body receives management reports, monitors performance, and approves budgets for submission to the Trust Board.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

John F Kennedy Special School

John F Kennedy School is a mixed 4 to 19 school. The pupils at the school all have exceptional needs (Profound and Multiple Learning Difficulties (PMLD), Autism and Severe Learning Difficulties (SLD)). They are encouraged to be ambitious and achieve to their highest ability, whilst retaining a sense of who they are and what values are important in our society. We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

The principal object of the Academy is specifically restricted to the following, to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Sheringham Primary School

Sheringham Primary School is a mixed 4 to 11 school. The pupils at the school are encouraged to be ambitious and achieve to their highest ability, whilst retaining a sense of who they are and what values are important in our society. We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

The principal object of the Academy is specifically restricted to the following, to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Public Benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Multi-Academy Trust's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

John F Kennedy Special School

The Academy does not have a catchment area policy it being a Special School. The majority of students (96%) are resident in the Borough of Newham, with others from various local boroughs (normally as a result of students starting in Newham and then being moved out of borough but their school placement being maintained).

Admissions Criteria and Arrangements

Placement will usually be taken up at the start of the school year but, by arrangement with the Headteacher, places can be accessed at any time of year particularly for the purposes of statutory assessment for an EHC Plan, or as an in year admission where there is an appropriate vacancy in the Academy. In circumstances agreed with the Local Authorities it may be necessary to make an emergency placement which will be considered on an individual basis.

Prior to the naming of the Academy in the EHC plan, the Local Authority (LA) will consult fully with the Academy. This will be based on assessment by appropriate professionals, appropriate places being available and in line with statutory consultation process. The LA will take into careful consideration the Academy's comments before deciding whether to name the Academy in the EHC plan, or as an in year admission, where there is an appropriate vacancy at the Academy.

- The Academy will provide the Local Authority with:
- Their SEN profile for both sites, (which will be updated termly)
- The profile of the students currently being catered for
- A detailed outline of places available (to include the needs of the pupils for which they are best able to provide places).
- The organisation and curriculum offered.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Admissions eligibility criteria

- The placement is an efficient use of resources
- The Academy is suitable to the child's age, ability and special educational needs in line with the Academy's SEN profile
- The child's placement in the Academy is compatible with the efficient education and safeguarding of the other children with whom the child would be educated
- Parents have expressed a preference for the Academy (or where, in cases of dispute between parents and the LA, the LA intends to name the Academy on the statement).
- The child has a statement of special educational needs or EHC (or requires emergency assessment)

Admissions / access procedures

Parents, SEN Teams, Teachers, Resource Heads or Educational Psychologists from other Academies or Local Authorities may contact the Academy and will be invited to visit.

Parents wishing their child to be considered for a place will be advised to contact their Local Authority SEN section.

The commissioning LA will consult the Headteacher regarding each pupil the LA considers suitable to request a place in the Academy.

When a LA consults on admissions it will send a copy of, the proposed statement of Special Education Needs or EHC Plan and appendices which may include:

- The most recent Annual review
- Other relevant reports including those from involved professionals.

The Academy will then:

- Arrange a visit by the Head of Academy/Senior teacher to see the child in their current setting
- Undertake an EPS assessment through the Academy Education Psychologist or use an EPS assessment that has been undertaken.
- Invite parents to visit to the Academy with their child to discuss and provide details of the school and offer.

The Academy will then review all information and respond in writing within the statutory time limit. Where the decision of the Academy is NOT to offer a place the Academy will provide reasons why. These reasons should be expressed in terms of the needs of the pupil and the efficient education of other pupils already at the Academy, so that the authority is aware of why the Academy considers that the child does not meet the published Admissions Criteria.

The LA SEN and the Headteacher will aim to jointly come to a decision about placement.

The Headteacher may ask the local authority to call together a panel of senior officers to consider the reasons. In these cases the final decision about the appropriateness of the placement will be made by a senior named officer (Group Manager or above) from the LA.

Exit criteria

A pupil will be referred through the Annual Review process to the LA SEN department if:

- It is considered that he/she has gained a level of independence and is able to access a differentiated mainstream curriculum
- The changing needs of the pupil indicate that alternative provision may be more appropriate

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Public benefit

Sheringham Primary School

The Academy follows the Local Borough of Newham's policy and procedures on admission at all times, which complies with the Schools Admissions Code which is produced by the Department for Education and sets out the law relating to school admissions.

Please see:

<https://www.newham.gov.uk/Pages/Services/Admissions-primary-school.aspx?I1=100005&I2=200086>

[https://www.newham.gov.uk/Documents/Education%20and%20learning/](https://www.newham.gov.uk/Documents/Education%20and%20learning/AdmissionArrangementsNewhamPrimary2016.PDF)

[AdmissionArrangementsNewhamPrimary2016.PDF](https://www.newham.gov.uk/Documents/Education%20and%20learning/AdmissionArrangementsNewhamPrimary2016.PDF)

Strategic report

Achievements and performance

John F Kennedy Special School

JFK considers a range of different assessment information that supports personalised progress for all our students in key stages 1-5 when assessing achievement. Our focus on enriching our curriculum offer at all phases, extending accreditation and our drive to enhance learning outcomes for all has resulted in achieving our Gold CPD award this year. Our students continue to make excellent progress in all key areas of learning especially in communication and through accessing learning opportunities and events in the local community. 2014/15 and previous years evaluation of the difference between students with a Pupil Premium indicator and those without showed no significant difference between the two groups.

Sheringham Primary School

Sheringham continues to have a significant impact on pupil achievement. Pupils arrive at the school with attainment that is significantly below the national average and leave the school with attainment at or above the national average, with no difference between the attainment of disadvantaged and non-disadvantaged pupils. In 2014/15 Sheringham's high quality and inclusive provision was recognised with the awarding of the Inclusion Quality Mark for the third time.

Key Performance Indicators

John F Kennedy School

The main KPI is the Ofsted Framework for Inspection

1. Inspectors must judge the quality of education provided in the school. This is the overarching judgement.
2. In order to make a judgement about the quality of education provided in the school, inspectors must first make four key judgements. These are:
 - the achievement of pupils at the school;
 - the quality of teaching in the school;
 - the behaviour and safety of pupils at the school;
 - the quality of leadership in and management of the school.
3. In addition, inspectors must also consider:
 - the spiritual, moral, social and cultural development of pupils at the school;
 - the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:
 - pupils who have a disability for the purposes of the Equality Act 2010;
 - pupils who have special educational needs.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Key performance indicators

Sheringham Primary School

The main KPI is the Ofsted Framework for Inspection:

1. Inspectors must judge the quality of education provided in the school. This is the overarching judgement.
2. In order to make a judgement about the quality of education provided in the school, inspectors must first make four key judgements. These are:
 - the achievement of pupils at the school;
 - the quality of teaching in the school;
 - the behaviour and safety of pupils at the school;
 - the quality of leadership in and management of the school.
3. In addition, inspectors must also consider:
 - the spiritual, moral, social and cultural development of pupils at the school;
 - the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:
 - pupils who have a disability for the purposes of the Equality Act 2010;
 - pupils who have special educational needs.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Multi Academy 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.

Financial review

Most of the Multi Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Multi Academy Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2015, total expenditure of £9,701k was met by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £(181k).

At 31 August 2015 the net book value of fixed assets was £24,212k. Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi Academy Trust.

The Newham Council Pension Fund, in which the Academy participates, showed a deficit of £1,927k at 31 August 2015. Of this sum, £1,785k, was inherited by Learning in Harmony Multi Academy Trust from Newham Council on 1 September 2014, the date the local authority's staff transferred to employment with the Trust.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Reserves policy

The Directors review the reserve levels of the Multi Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £750k.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Multi Academy Trust's current level of free reserves of £1,264k (total funds less the amount held in fixed assets and restricted funds), and the Directors expect to utilise the additional reserves in the coming period.

Investment policy and powers

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial Position

The Multi Academy Trust held fund balances at 31 August 2015 of £23,956k comprising £22,692k of restricted funds and £1,264k of unrestricted general funds. Of the restricted funds, £24,212k is represented by tangible fixed assets and £407k of unspent restricted grants.

The Pension reserve which is considered part of restricted funds was £1,927k in deficit.

Principal risks and uncertainties

The main financial risks which Learning in Harmony Multi Academy Trust is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £1,927k.

The principal risks and uncertainties that Learning in Harmony Multi Academy Trust faces are mitigated by the risk management process that the Multi Academy Trust has in place.

Financial and risk management objectives and policies

The Directors have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Directors have implemented a number of systems to assess risks that the Trust's schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors are introducing systems, including operational procedures of internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Multi Academy Trust has an effective system of internal financial controls.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Plans for future periods

The Multi Academy Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave.

The Trust's schools have a good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The Trust's schools also make good use of external validation to secure its judgement on the quality of provision and subsequent outcomes.

The Learning in Harmony Multi Academy Trust has identified five key areas for strategic improvement in 2015/16 and adequate resources have been targeted to meet these aims-


- To improve further the quality of self-evaluation and school improvement planning at member schools through mutual support and challenge
- To ensure that a quality workforce is in place by seeking opportunities to support teacher training and early professional development in a co-ordinated way.
- To ensure that middle and senior leaders are given maximum opportunities to develop, maximising their potential, and maintaining their expertise and experiences within the trust.
- To ensure that the best expert and specialist support and advice is available for pupils who need it within the trust.
- To ensure that money spent on staff and services that support the infrastructure of schools is used most efficiently, and that where appropriate improvements are made by central co-ordination of key tasks and functions.

The Trust plans to expand by adding new Academies which subscribe to the Trust's ethos, aims and objectives and where the Board consider that mutual benefits will arise. Upton Cross Primary School joined the Trust with effect from 1st September 2015.

Auditor

So far as the Directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the Learning in Harmony Multi Academy Trusts auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make them aware of any audit information and to establish that the Trusts auditors are aware of that information.

The Report of the Directors, incorporating strategic report, was approved by order of the Board of Directors, on 10.12.15 and signed on the Board's behalf by:



P Quinn
Chair

LEARNING IN HARMONY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

Scope of responsibility

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

The Board of the Directors 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 Learning in Harmony Multi Academy Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Directors	Meetings attended	Out of possible
S Alade (Appointed 28 July 2014)	4	6
H Hinchliffe (Appointed 28 July 2014)	6	6
J King (Appointed 28 July 2014)	5	6
L McClay (Appointed 1 January 2015)	3	3
I Mussa (Appointed 4 February 2015)	2	3
P Quinn (Chair) (Appointed 9 September 2014)	6	6
D Rochford (Appointed 1 September 2014)	6	6
G Wilkie (Accounting Officer) (Appointed 1 September 2014)	6	6
C Darley (Appointed 8 July 2015)	1	1
N Turvey (Appointed 13 October 2015)	0	0
P Haslett (Appointed 13 October 2015)	0	0
J Marriott (Appointed 13 October 2015)	0	0

The Trust Board of Directors has now been in existence for a full year. Within the 2015/16 academy year the Board intends to carry out a full review of governance at a Trust wide and Local Governing Body levels.

The Finance and Audit is a sub-committee of the main Board of Directors. Its purpose is to monitor and agree budget and personnel issues. To put forward proposals to the full Board of Directors based on information from the Bursar and Headteacher. The Committee also review the reports produced by the responsible Officer and ensure all issue raised are addressed.

LEARNING IN HARMONY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

The Finance and Audit is a sub-committee of the main Board of Directors. Its purpose is to monitor and agree budget and personnel issues. To put forward proposals to the full Board of Directors based on information from the Bursar and Headteacher. The Committee also review the reports produced by the responsible Officer and ensure all issue raised are addressed. This Committee formally met 4 times during the period. M Marks (Sheringham governor representative) also attended 4 meetings and P Collier (JFK governor representative) attended 1 out of a possible three meetings.

From autumn 2015 Directors have agreed that the Finance and Audit Committee will be split into two committees, each with their own delegated powers and terms of reference: the Audit Committee and the Finance and Premises Committee. M Marks (Sheringham governor representative) also attended 4 meetings and P Collier (JFK governor representative) attended 1 out of a possible three meetings.

Attendance at meetings in the period was as follows:

Directors	Meetings attended	Out of possible
S Alade (Appointed 28 July 2014)	2	4
H Hinchliffe (Appointed 28 July 2014)	4	4
G Wilkie (Accounting Officer) (Appointed 1 September 2014)	4	4

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that the Multi Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources have provided good value for money during each academic period, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

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

- Developing a transparent ethos of support and challenge across the trust schools.
- Working together to share and develop expertise
- Where appropriate, having trust-wide service level agreements with external providers
- Enhancing financial controls and procedures throughout the trust, specifically directed at achieving value for money, for example by competitive tendering.
- Employing and commissioning high quality advice to support the self-evaluation of administrative procedures.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Multi Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Learning in Harmony Multi Academy Trust for the period 28 July 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

LEARNING IN HARMONY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 28 July to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The Multi 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 Directors;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint a responsible officer. However, the Directors have appointed Wilkins Kennedy LLP to complete the internal audit function. In addition, in June 2015 the Multi Academy Trust appointed a lead Trust Finance Officer whose role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. In particular, the checks carried out in the current period include:

- Testing of control systems
- Testing of control account / bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

Wilkins Kennedy LLP has delivered their schedule of work as planned and no issues of significance were identified.

Review of effectiveness

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

- the work of the interim Internal Audit Review;
- the financial management and governance self assessment process;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

LEARNING IN HARMONY MULTI ACADEMY TRUST


GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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

Approved by order of the board of directors' on 10.12.15 and signed on its behalf by:


P Quinn
Chair


G Wilkie
Accounting Officer

LEARNING IN HARMONY MULTI ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2015

As accounting officer of Learning in Harmony Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 EFA.

Approved on  and signed by:

10.12.15

G Wilkie
Accounting Officer

LEARNING IN HARMONY MULTI ACADEMY TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who also act as trustees for Learning in Harmony Multi Academy Trust) are responsible for preparing the Directors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under company law the directors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 directors 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 directors 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 the EFA/DfE have been applied for the purposes intended.

The directors 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 board of directors on 10.12.15 and signed on its behalf by:



P Quinn
Chair

LEARNING IN HARMONY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LEARNING IN HARMONY MULTI ACADEMY TRUST

We have audited the accounts of Learning in Harmony Multi Academy Trust for the period ended 31 August 2015 set out on pages 21 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 16, the directors, who also act as trustees for the charitable activities of Learning in Harmony Multi Academy Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

LEARNING IN HARMONY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LEARNING IN HARMONY MULTI ACADEMY TRUST

Matters on which we are required to report by exception

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

- adequate 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Wilkins Kennedy LLP

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Greytown House

221-227 High Street

Orpington

BR6 ONZ

Dated:16/12/15

LEARNING IN HARMONY MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARNING IN HARMONY MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 January 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning in Harmony Multi Academy Trust during the period 28 July 2014 to 31 August 2015 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 Learning in Harmony Multi Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Learning in Harmony Multi Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Learning in Harmony Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Learning in Harmony Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Learning in Harmony Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 August 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 28 July 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

LEARNING IN HARMONY MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARNING IN HARMONY MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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 28 July 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy LLP

Reporting Accountant

Wilkins Kennedy LLP

Dated:16/12/15

LEARNING IN HARMONY MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2015

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2015 £'000
<u>Incoming resources</u>	Notes				
<i>Resources from generated funds</i>					
- Voluntary income	2	11	-	-	11
- Inherited on conversion	25	1,091	(1,785)	24,493	23,799
- Activities for generating funds	3	271	-	-	271
- Investment income	4	1	-	-	1
<i>Resources from charitable activities</i>					
- Funding for educational operations	5	-	9,589	-	9,589
Total incoming resources		1,374	7,804	24,493	33,671
<u>Resources expended</u>					
<i>Costs of generating funds</i>					
<i>Charitable activities</i>					
- Educational operations	7	110	9,167	342	9,619
Governance costs	8	-	82	-	82
Total resources expended	6	110	9,249	342	9,701
Net incoming/(outgoing) resources before transfers		1,264	(1,445)	24,151	23,970
Gross transfers between funds		-	(61)	61	-
Net income/(expenditure) for the period		1,264	(1,506)	24,212	23,970
<u>Other recognised gains and losses</u>					
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(14)	-	(14)
Net movement in funds		1,264	(1,520)	24,212	23,956
Fund balances at 28 July 2014		-	-	-	-
Fund balances at 31 August 2015		1,264	(1,520)	24,212	23,956

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

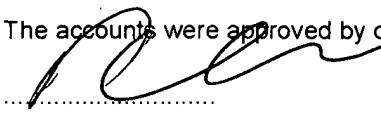
LEARNING IN HARMONY MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £'000	£'000
Fixed assets			
Tangible assets	11		24,212
Current assets			
Debtors	12	688	
Cash at bank and in hand		1,745	
		<u>2,433</u>	
Current liabilities			
Creditors: amounts falling due within one year	13	(762)	
Net current assets			<u>1,671</u>
Net assets excluding pension liability			<u>25,883</u>
Defined benefit pension liability	17		(1,927)
Net assets			<u>23,956</u>
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds			24,212
- General funds			407
- Pension reserve			(1,927)
Total restricted funds			<u>22,692</u>
Unrestricted income funds	15		<u>1,264</u>
Total funds			<u>23,956</u>

The accounts were approved by order of the board of trustees and authorised for issue on 10.12.15


P Quinn
Chair

Company Number 09148738

LEARNING IN HARMONY MULTI ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

		31 August 2015 £'000
	Notes	
Net cash inflow from operating activities	18	714
Cash funds transferred on conversion		1,091
Returns on investments and servicing of finance		
Investment income		<u>1</u>
Net cash inflow from returns on investments and servicing of finance		<u>1</u>
		1,806
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets		<u>(61)</u>
Net cash flow from capital activities		<u>(61)</u>
Increase in cash	19	<u><u>1,745</u></u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently is set out below.

1.2 Going concern

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

1.3 Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the period for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

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

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

The properties have been included at the valuation provided by the EFA when completing their desktop valuation.

Both Schools have a 125 year lease on the land and buildings with the London Borough of Newham.

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

Land and buildings	buildings, 50 years. Land, nil
Computer equipment	3 years
Fixtures, fittings & equipment	3 years

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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.6 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 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.

1.8 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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 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 directors.

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

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

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Other donations	11	-	11
	<u>11</u>	<u>-</u>	<u>11</u>

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Hire of facilities	54	-	54
Catering income	123	-	123
Other income	94	-	94
	<u>271</u>	<u>-</u>	<u>271</u>

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Short term deposits	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
DfE / EFA grants			
General annual grant (GAG)	-	4,860	4,860
Start up grants	-	50	50
Other DfE / EFA grants	-	1,321	1,321
	-	6,231	6,231
Other government grants			
Local authority grants	-	3,358	3,358
Total funding	-	9,589	9,589

6 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000
Academy's educational operations				
- Direct costs	6,365	270	184	6,819
- Allocated support costs	768	709	1,323	2,800
	7,133	979	1,507	9,619
Other expenditure				
Governance costs	-	-	82	82
Total expenditure	7,133	979	1,589	9,701

Net income/(expenditure) for the period includes:

	2015 £'000
Operating leases	
- Plant and machinery	8
Fees payable to auditor	
- Audit	13
- Other services	15

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

6 Resources expended

(Continued)

Central services

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

- human resources;
- financial services;
- legal services;
- catering costs
- insurance
- recruitment

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

- 5% of GAG School Budget Share

The amounts charged during the period were as follows:

	Total £'000
John F Kennedy School	201
Sheringham Primary School	332
Learning in Harmony Trust	-
	<hr/>
	533
	<hr/>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Direct costs			
Teaching and educational support staff costs	-	6,197	6,197
Depreciation	-	270	270
Technology costs	-	12	12
Educational supplies and services	-	47	47
Examination fees	-	13	13
Staff development	-	168	168
Educational consultancy	-	59	59
Other direct costs	-	53	53
	<u>-</u>	<u>6,819</u>	<u>6,819</u>
Allocated support costs			
Support staff costs	-	768	768
Depreciation	-	72	72
Technology costs	-	115	115
Recruitment and support	-	10	10
Maintenance of premises and equipment	-	637	637
Cleaning	-	187	187
Energy costs	-	70	70
Rent and rates	-	54	54
Insurance	-	56	56
Security and transport	-	139	139
Catering	110	305	415
Interest and finance costs	-	63	63
Other support costs	-	214	214
	<u>110</u>	<u>2,690</u>	<u>2,800</u>
Total costs	<u>110</u>	<u>9,509</u>	<u>9,619</u>

8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Legal and professional fees	-	54	54
Auditor's remuneration			
- Audit of financial statements	-	13	13
- Other audit costs	-	15	15
	<u>-</u>	<u>82</u>	<u>82</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

9 Staff costs

	2015 £'000
Wages and salaries	4,982
Social security costs	391
Other pension costs	628
	<hr/>
Supply teacher costs	6,001
Staff development and other staff costs	963
	<hr/>
Total staff costs	7,133
	<hr/>

The average number of persons (including senior management team) employed by the academy trust during the period expressed as full time equivalents was as follows:

	2015 Number
Teachers	67
Administration and support	85
Management	12
	<hr/>
	164
	<hr/>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number
£60,000-£70,000	3
£70,001- £80,000	1
£90,001- £100,000	1
£120,001- £130,000	1
	<hr/>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015
Teachers' Pension Scheme	Numbers	6
	£'000	69
		<hr/>
Local Government Pension Scheme	Numbers	-
	£'000	-
		<hr/>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

10 Directors' remuneration and expenses

One or more directors has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO and other staff directors only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment, and not in respect of their services as directors. Other directors did not receive any payments, other than expenses, from the academy trust in respect of their role as directors.

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

G Wilkie (CEO):

- Remuneration £120,000 - £125,000
- Employer's pension contributions £15,000 - £20,000

L McClay (Sheringham Primary School Acting Principal) (8 months):

- Remuneration £40,000 - £45,000
- Employer's pension contributions £5,000 - £10,000

D Rochford (John F Kennedy School Executive Headteacher)

- Remuneration £95,000- £100,000
- Employer's pension contributions £10,000 - £15,000

During the period, no expenses were reimbursed to directors.

Other related party transactions involving the directors are set out within the related parties note.

Directors' and officers' insurance

John F Kennedy Special School

The academy trust has opted into the Department of 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 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.

Sheringham Primary School

In accordance with normal commercial practice, Sheringham Primary School has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,650.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 28 July 2014	-	-	-	-
Additions	-	54	7	61
Transfers	24,311	140	42	24,493
	<u>24,311</u>	<u>140</u>	<u>42</u>	<u>24,493</u>
At 31 August 2015	24,311	194	49	24,554
	<u>24,311</u>	<u>194</u>	<u>49</u>	<u>24,554</u>
Depreciation				
At 28 July 2014	-	-	-	-
Charge for the period	270	57	15	342
	<u>270</u>	<u>57</u>	<u>15</u>	<u>342</u>
At 31 August 2015	270	57	15	342
	<u>270</u>	<u>57</u>	<u>15</u>	<u>342</u>
Net book value				
At 31 August 2015	24,041	137	34	24,212
	<u>24,041</u>	<u>137</u>	<u>34</u>	<u>24,212</u>

Included in land and buildings is land valued at £10,788,000 which is not depreciated.

12 Debtors

	2015 £'000
Trade debtors	25
VAT recoverable	426
Other debtors	8
Prepayments and accrued income	229
	<u>688</u>
	<u>688</u>

13 Creditors: amounts falling due within one year

	2015 £'000
Trade creditors	367
Taxes and social security costs	123
Other creditors	94
Accruals	79
Deferred income	99
	<u>762</u>
	<u>762</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

14	Deferred income	2015 £'000
	Deferred income is included within:	
	Creditors due within one year	99
		<u>99</u>
	Total deferred income at 28 July 2014	-
	Amounts credited to the Statement of Financial Activities	-
	Amounts deferred in the period	99
		<u>99</u>
	Total deferred income at 31 August 2015	99
		<u>99</u>

At the balance sheet date the academy trust was holding fund received in advance for universal infant free school meals and local authority education guarantee contribution relating to 2015/16

15	Funds	Balance at 28 July 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2015 £'000
	Restricted general funds					
	General Annual Grant	-	4,860	(4,779)	(61)	20
	Start up grants	-	50	(50)	-	-
	Other DfE / EFA grants	-	1,321	(1,052)	-	269
	Other government grants	-	3,358	(3,240)	-	118
		<u>-</u>	<u>9,589</u>	<u>(9,121)</u>	<u>(61)</u>	<u>407</u>
	Funds excluding pensions	-	9,589	(9,121)	(61)	407
	Pension reserve	-	(1,785)	(128)	(14)	(1,927)
		<u>-</u>	<u>7,804</u>	<u>(9,249)</u>	<u>(75)</u>	<u>(1,520)</u>
		<u>-</u>	<u>7,804</u>	<u>(9,249)</u>	<u>(75)</u>	<u>(1,520)</u>
	Restricted fixed asset funds					
	Inherited fixed asset fund	-	24,493	-	(24,493)	-
	General fixed asset fund	-	-	(342)	24,554	24,212
		<u>-</u>	<u>24,493</u>	<u>(342)</u>	<u>61</u>	<u>24,212</u>
		<u>-</u>	<u>24,493</u>	<u>(342)</u>	<u>61</u>	<u>24,212</u>
	Total restricted funds	<u>-</u>	<u>32,297</u>	<u>(9,591)</u>	<u>(14)</u>	<u>22,692</u>
		<u>-</u>	<u>32,297</u>	<u>(9,591)</u>	<u>(14)</u>	<u>22,692</u>
	Unrestricted funds					
	General funds	-	1,374	(110)	-	1,264
		<u>-</u>	<u>1,374</u>	<u>(110)</u>	<u>-</u>	<u>1,264</u>
	Total funds	<u>-</u>	<u>33,671</u>	<u>(9,701)</u>	<u>(14)</u>	<u>23,956</u>
		<u>-</u>	<u>33,671</u>	<u>(9,701)</u>	<u>(14)</u>	<u>23,956</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

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

Start up grants: This includes the EFA start up grant.

Other DFE/EFA grants: This includes the pupil premium, UIFSM, sports funding grant and the devolved formula capital grant and CIF grant.

Other government grants: This includes SEN funding, good to great grant, reading one to one tuition grant, growth fund, educational guarantee contribution and additional pupil premium received from the Local Authority.

The transfer of funds relate to the purchase of fixed assets during the period.

Analysis of academies by fund balance

	Total £'000
Fund balances at 31 August 2015 were allocated as follows:	
John F Kennedy School	288
Sheringham Primary School	1,260
Learning in Harmony Trust	123
	<hr/>
Funds excluding fixed asset fund and pensions reserve	1,671
Restricted fixed asset fund	24,212
Pension reserve	(1,927)
	<hr/>
Total funds	23,956
	<hr/> <hr/>

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
John F Kennedy School	3,033	426	5	885	4,349
Sheringham Primary School	3,098	253	42	785	4,178
Learning in Harmony Trust	66	89	-	677	832
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,197	768	47	2,347	9,359
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	24,212	24,212
Current assets	1,264	1,169	-	2,433
Creditors falling due within one year	-	(762)	-	(762)
Defined benefit pension liability	-	(1,927)	-	(1,927)
	<u>1,264</u>	<u>(1,520)</u>	<u>24,212</u>	<u>23,956</u>

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £84k were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £634k.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.3% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £205k.

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.

Contributions made	2015 £'000
Employer's contributions	194
Employees' contributions	58
Total contributions	252
Principal actuarial assumptions	2015 %
Rate of increase in salaries	4.5
Rate of increase for pensions in payment	2.7
Discount rate for scheme liabilities	4
Inflation assumption (CPI)	2.7

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions 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:

	2015 Years
Retiring today	
- Males	22.1
- Females	24.4
Retiring in 20 years	
- Males	24.2
- Females	26.8

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £'000
Equities	5.7	445
Other bonds	5.7	67
Cash	5.7	55
Alternative assets	5.7	34
Property	5.7	87
Total market value of assets		688
Present value of scheme liabilities - funded		(2,615)
Net pension asset / (liability)		(1,927)

The expected return on the fund (on a bid value to bid value basis) for the year to 31 August 2015 is estimated to be 3%. This is based on the estimated fund value used at this accounting date. The actual return on Scheme assets was £18k.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities

	2015 £'000
Operating costs/(income)	
Current service cost (net of employee contributions)	259
Past service cost	-
	<hr/>
Total operating charge	259
	<hr/>
Finance costs/(income)	
Expected return on pension scheme assets	(31)
Interest on pension liabilities	94
	<hr/>
Net finance costs/(income)	63
	<hr/>
Total charge/(income)	322
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Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000
Actuarial (gains)/losses on assets: actual return less expected	13
Experience (gains)/losses on liabilities	1
(Gains)/losses arising from changes in assumptions	-
	<hr/>
Total (gains)/losses	14
	<hr/>
Cumulative (gains)/losses to date	14
	<hr/>

Movements in the present value of defined benefit obligations

	2015 £'000
Obligations acquired on conversion	(2,203)
Current service cost	(259)
Interest cost	(94)
Contributions by employees	(58)
Actuarial gains/(losses)	(1)
	<hr/>
At 31 August 2015	(2,615)
	<hr/>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Movements in the fair value of scheme assets

2015
£'000

Assets acquired on conversion	418
Expected return on assets	31
Actuarial gains/(losses)	(13)
Contributions by employers	194
Contributions by employees	58

At 31 August 2015	688
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History of experience gains and losses

2015
£'000

Present value of defined benefit obligations	(2,615)
Fair value of share of scheme assets	688

Surplus / (deficit)	(1,927)
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Experience adjustment on scheme assets	(13)
Experience adjustment on scheme liabilities	(1)

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

2015
£'000

Net income	23,970
Net deficit/(surplus) transferred on conversion	(23,799)
Investment income	(1)
Defined benefit pension costs less contributions payable	65
Defined benefit pension finance costs/(income)	63
Depreciation of tangible fixed assets	342
(Increase)/decrease in debtors	(688)
Increase/(decrease) in creditors	762
Net cash inflow/(outflow) from operating activities	714

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

19	Reconciliation of net cash flow to movement in net funds	2015 £'000
	Increase/(decrease) in cash	1,745
	Net funds at 28 July 2014	-
	Net funds at 31 August 2015	1,745

20	Analysis of net funds	At 28 July 2014	Transferred on conversion	Cash flows	Non-cash changes	At 31 August 2015
		£'000	£'000	£'000	£'000	£'000
	Cash at bank and in hand	-	1,091	654	-	1,745

21 **Contingent liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

22 **Commitments under operating leases**

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000
Expiry date:	
- Between two and five years	8

23 **Capital commitments**

	2015 £'000
At 31 August 2015 the company had capital commitments as follows:	
Expenditure contracted for but not provided in the accounts	212

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

24 Related parties

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

25 Conversion to an academy

On 1 September 2014 John F Kennedy Special School and Sheringham Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learning in Harmony Multi Academy Trust from the London Borough of Newham Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
John F Kennedy School	Stratford	1 September 2014		
Sheringham Primary School	Manor Park	1 September 2014		
Learning in Harmony Trust	Manor Park	1 September 2014		

Funds surplus/(deficit) transferred:	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total 2015 £'000
Fixed assets funds	-	-	24,493	24,493
LA budget funds	1,091	-	-	1,091
LGPS pension funds	-	(1,785)	-	(1,785)
	<u>1,091</u>	<u>(1,785)</u>	<u>24,493</u>	<u>23,799</u>

Net assets transferred:	£'000
Leasehold land and buildings	24,311
Tangible fixed assets apart from land and buildings	182
Cash	1,091
Pension surplus/(deficit)	(1,785)
	<u>23,799</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

26 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.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the academy trust received £1,682 and disbursed £1,682 from the fund.