

Company Registration No. 09148738 (England and Wales)

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

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020



LEARNING IN HARMONY MULTI ACADEMY TRUST

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LEARNING IN HARMONY MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Collier
H Hinchliffe
R Matthew
P Hill (appointed September 2020)

Directors

H Hinchliffe
J King (Resigned 29 September 2019)
G Wilkie (Accounting Officer)
P Haslett (Acting Chair from 13 May 2020)
K Rotheram (Chair from 16 October 2019) (Resigned 13 May 2020)
L Udenwoke
R Keller
R Jones OBE (Appointed 2 September 2019)
M Miles (Appointed 9 September 2019)
P Saville
L J Cartmell (Appointed 11 September 2020)
B Spinks (Appointed 11 September 2020)

Senior management team

- Chief Executive Officer
- Trust Executive Headteacher
- Chief Finance Officer
- Chief Operating Officer
- Trust Executive Headteacher
- Trust Executive Headteacher
- Trust Executive Headteacher

G Wilkie
N Turvey
P Hill (retired 30 June 2020)
J Naish
A Eastwood
E Peltier
D Woollard

Company registration number

09148738 (England and Wales)

Registered office

Hartley Primary School
Hartley Avenue
London
London
E6 1NT
United Kingdom

Academies operated

Temple Sutton Primary School
New North Academy
Hartley Primary School
Upton Cross Primary
John F Kennedy School
Sheringham Primary School
Blenheim Primary School
Drew Primary School
Greenways Primary School

Location

Southend-on-Sea
Islington
East Ham
Upton Park
Stratford
Manor Park
Leigh-on-Sea
Silvertown
Southend-on-Sea

Principal

D Woollard
N Percy
L McClay
E Peltier
J Newman and S Dodds
K Sewell
D Woollard
E Peltier
A Eastwood

LEARNING IN HARMONY MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Azets Audit Services Greytown House 221-227 High Street Orpington Kent BR6 0NZ
Bankers	Lloyds Bank 39 Threadneedle Street London EC2R 8AU
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Directors present their report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2020. 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 9 academies in the London Borough of Newham, the Borough of Southend-on-Sea and the London Borough of Islington.

London Borough of Newham:

- John F Kennedy Special School, for pupils aged 4 to 19. In the school census in October 2020, John F Kennedy Special School had a pupil capacity of 110 and had a roll of 134.
- Sheringham Primary School, for pupils aged 4 to 11. In the school census in October 2020, Sheringham Primary School had a pupil capacity of 690 and had a roll of 596.
- Upton Cross Primary School, for pupils aged 3 to 11. In the school census in October 2020, Upton Cross Primary School had a pupil capacity of 1200, and had a roll of 894.
- Hartley Primary School, for pupils aged 3 to 11. In the school census in October 2020, Hartley Primary School had a pupil capacity of 960 and had a roll of 764.
- Drew Primary school, for pupils aged 4 to 11. In the school census in October 2020, Drew Primary School had a pupil capacity of 480 and a roll of 409.

Borough of Southend on Sea:

- Blenheim Primary School, for pupils aged 3 to 11. In the school census in October 2020, Blenheim Primary School had a pupil capacity of 676 and a roll of 643.
- Greenways Primary School for pupils aged 4 to 11. In the school census in October, Greenways Primary School had a capacity of 960 and a roll of 984.
- Temple Sutton School, for pupil ages 3 to 11. In the school census in October 2020 Temple Sutton Primary School had a pupil capacity of 898 and a roll of 798.

London Borough of Islington:

- New North Academy, for pupils aged 3 to 11. In the school census in October 2020 New North Academy school had a pupil capacity of 446 and a role of 273.

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 J F Kennedy School and Sheringham Primary School from 1 September 2014, Upton Cross Primary School from 1 September 2015, Hartley Primary School from the 1 April 2016, Drew Primary School on 1 January 2017, Blenheim on 1 September 2016 and Greenways Primary School on 1 October 2016. Temple Sutton Primary School joined the Trust on 1 September 2018 and New North Academy joined on 1 September 2019.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 until such time as they resign or otherwise cease to be members, and any person appointed under Article 15A, the minimum number shall be not less than 3.

The Articles of Association of the Trust were renewed on 12 May 2018. The number of Directors shall be not less than 3, but shall not be subject to a maximum. The Academy Trust shall have the following Directors: up to 9 Directors appointed by the members, the Chief Executive Officer may be appointed as a Trustee by the members. 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. 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 7 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, and digital access to, 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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Board of Trustees has delegated responsibility for delivering the vision, mission and strategic objectives to the Chief Executive (CEO), who is also the Accounting Officer for the multi-academy trust. The Board will hold the CEO to account for the performance of the Trust, including the performance of the academies within the Trust. The Board of Trustees also decides the level of delegation to the Local Governing Bodies of the schools and to the Audit and Finance and HR and Remuneration Committees. The levels of delegation are set out in the Board's Scheme of Delegation. This will be kept under regular review and was most recently reviewed and revised in June 2019.

The Local Governing Bodies are accountable to the Trustees. They are responsible for ensuring that the schools are working within the vision, mission and policies of the Trust to achieve the strategic priorities and to assure the educational and financial performance of the schools. The terms of reference for the Local Governing Bodies will also be kept under regular review.

The Audit and Finance Committee will ensure that all the Trust's property and assets are under the control of the Trustees, and that measures are in place to prevent losses or misuse, including maintenance of fixed asset registers. The committee will monitor and ensure that the bank accounts, financial systems and financial records are operated by more than one person and that full and accurate accounting records support the proposed Trust's annual accounts. The committee will report to the Trustees, but can refer significant issues directly to Members where Trustees fail to act appropriately. The terms of reference for this committee will be kept under regular review.

The HR and Remuneration Committee will ensure that the Trust's HR policies are in line with the ethos and values of the organisation. The Committee ensures that there is transparency and oversight of pay decisions, in particular executive pay levels. The terms of reference for this committee will be kept under regular review. The HR & Remuneration committee was established in the autumn 2018 term.

To ensure that Trustees have the opportunity to consult, inform and involve Local Governing Bodies at all levels of the organisation, a number of Governance Advisory Groups have been set up. Representatives from all Local Governing Bodies are invited to these themed meetings, and the view of these groups is sometimes formally sought when the Trustees are considering changes to the way that the Trust as a whole operates.

The Trust Leadership Group (Executive Leaders) meets monthly and reports to the Trustee Board on the operational performance and strategic management of the Trust.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for setting pay and remuneration of key management personnel

The Trust Leadership Group comprises the Chief Executive Officer, the Executive Headteachers and the Chief Operating Officer. The arrangements for setting their pay and remuneration are:

Chief Executive Officer (CEO)

The salary and job description of the Chief Executive Officer is determined annually by the HR & Remuneration Committee. The Chief Executive's salary is based upon three elements-

- The total pupil numbers within the trust (taking into account any special arrangements for pupils with Special Needs)
- An element recognising the role as an Executive Head Teacher within the trust.
- An element recognising the additional responsibilities identified in the CEO job description

The CEO's salary is also externally benchmarked at least every three years. In autumn 2016 this benchmarking exercise was carried out by the Trust's solicitors Stone king.

The Trust has responded to all communication with the Department for Education with regards to the rationale and evidence to support decisions relating to Executive Pay levels and Trustees take advice from the Trusts solicitors.

Executive Head Teachers

The Trustees will nominate a number of Head Teachers from within member schools who are able to demonstrate a history of having an outstanding impact upon learning. These Executive Head Teachers will co-ordinate the work of the Trust Leadership Group, be responsible for elements of the Trust's strategic plan and are likely to lead work in other schools – particularly sponsored academies. Executive Head Teachers will have an additional element to their salary as determined by the HR & Remuneration Committee.

Chief Operating Officer

The job description and salary of the Chief Operating Officer is evaluated and benchmarked regularly by the Trust's external HR advisors.

Trade union facility time

Relevant union officials

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

1

Full-time equivalent employee number

1.00

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

1

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

38

Total pay bill

30,769

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

-

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Engagement with employees

The Trust engages with its employees continuously and in a number of ways to suit their different working patterns. This includes regular Trust leadership, Headteacher and line manager briefings, staff training days each academic year, an annual trust wide inset day and regular visits by the Trust Leadership Group link to each school. During 2019/20 we introduced additional employee engagement initiatives which included a nationally benchmarked Trust staff survey. During 2019/20 our staff were consulted and encouraged to engage in the coronavirus risk assessments enabling their views on safe working practices to be incorporated into the risk assessments and training. We have specific staff intranet sites for information and news, staff updates and access to policies. The Trust recognises unions and regularly meets with a joint union committee on staffing issues.

The Trust seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their obligations under the Equality Act 2010. Our policies and procedures fully support those with disabilities. We encourage and support a wide diversity of applicants at the recruitment stage and all successful candidates undergo a health screening process to objectively advise line managers on workplace adjustments. For those colleagues with existing disabilities or those who become disabled during their time with the Trust, we work with them to make reasonable adjustments to working practices and/or environment in order to keep the employee safe, and effective. We endeavour to ensure that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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

The Trust recognises that as a public service educational provider it needs to engage with its external stakeholders, which include suppliers, service providers and most importantly its parents and carers, children and wider communities, in strict accordance with the Seven Principles of Public Life. During 2019/20 we engaged with parents and carers on their views on the blended learning provision that was made available to pupils whilst schools were only open to vulnerable children and children of key workers.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees Strategic Report 2019/2020

Objects and aims

Vision and Values

In the Learning in Harmony Trust we believe that doing things in harmony means a commitment to working collaboratively and effectively using everyone's strengths to meet a common aim. We do not follow a school-in-a-box model, and instead work collaboratively at all levels within and across each school to maximise potential through continuous challenge and support. And while there is a presumption for partnership within our Trust, there is also a commitment to schools retaining their own identity.

Learning in Harmony Trust has four key values:

We Enable Everyone to Succeed

- Strong relationships built on a foundation of trust and honesty, coupled with high aspirations for all our learners, enable us to strive for excellence.
- Support and challenge is at the heart of what we do and we have a relentless focus on the best possible outcomes for all our learners.

We Act with Integrity

- We believe in doing things the right way.
- We are not a top down organisation and effective collaboration is at the heart of what we do. Our schools are not identical and each has its own unique strengths. This approach enables us to continue our learning journey in a harmonious and rewarding way.
- We are a Nurturing Community
- We know that it is vital to nurture and grow the whole child, regardless of their background, to provide all with an opportunity to succeed.
- We strongly believe that learners flourish when they are well looked after, this starts with our staff, happy and fulfilled staff have the greatest impact upon pupil learning.

We are a Nurturing Community

- We know that it is vital to nurture and grow the whole child, regardless of their background, to provide all with an opportunity to succeed.
- We strongly believe that learners flourish when they are well looked after, this starts with our staff, happy and fulfilled staff have the greatest impact upon pupil learning.

We Encourage Innovation

- Our approach to professional development is bespoke and enabling, and there are many opportunities to learn from others both within and outside of the Trust.
- Because we act with integrity, our innovative approach is always underpinned by the best research.

We encourage our staff to continue to learn and to take risks in their practice to support our quest for excellence.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Much of the focus of the Trust's central resource in 2019/20 was spent on central business support capacity to accommodate growth and on ensuring core compliance. In place at the end of that year was:

- Tier 1 and 2: A central team comprising a full time CEO, a full time Finance Director (retired 30 June 2020), a Head of People, Governance, Risk and Compliance (replaced by a Chief Operating Officer from 30 June 2020).
- Tier 3: HR Business Manager, Finance Business Manager, Head of IT, Premises and Compliance Manager.
- Tier 4: Project Officer, two HR Officers and a HR Assistant, an ICT Support Officer, a Trainee Management Accountant, Finance Officer, and a Media and Communications Officer.
- Trust Wide Leaders; the purpose of these roles is to provide succession planning for leadership positions and capacity for school improvement in key areas of teaching and learning across the Trust.

Central resources support the continued commonality of operational systems and activities across the Trust such as:

- Insurances and premises security
- Health and Safety Management System and Audit
- Premises Core Compliance Policy, procedures and ICT systems
- Facilities Management services
- Financial software licences and banking
- Three year budgeting software and licences
- Meeting ESFA reporting requirements
- Asset management procedures and ICT systems
- HR management system and HR policies
- Wellbeing, occupational health and legal advice
- Payroll processing
- Recruitment processes and ICT systems and marketing and retention activity
- MIS systems (pupil data and records and parent communication systems)
- ICT systems, infrastructure and security
- Safeguarding processes, training and record keeping
- Educational Visit risk assessments and ICT systems
- Pupil level assessment and testing systems
- Governance responsibilities at school level

Central Funding was also targeted at strategic activity:

- School and organisational improvement
- Ambition curriculum development programme
- MAT Network
- Staff development activity - such as the trust wide staff inset day which provided an opportunity for over 700 members of staff to convene together for a day of development and training from expert practitioners.

Mitigating against the impact of the Coronavirus pandemic

The Coronavirus pandemic, which saw our schools cease normal operations on 22 March, severely impacted the Trusts strategic plan for 19/20 and the planned financial model of operation. Our schools adapted quickly to provide a service for children of key workers and children deemed to be vulnerable by their circumstances. The Trust and school leaders undertook continued and rigorous risk assessments of the safety of our operations during this period, and quickly established a core group of business leads to function as a 'COBRA'. Schools remained open for vulnerable children and the children of key workers. Children eligible for Free School Meals were provided with access to vouchers, initially through the school directly purchasing them, and then through the national government scheme.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

During the lockdown period pupils were offered a range of self-service, activity based online learning activities. Families were encouraged to engage with the schools and the Trust on social media. Two trust wide book projects were initiated with every pupil in every school receiving two age appropriate reading books with reading related activities. The ambition of the Trust was to provide meaningful content for the pupils whilst recognising that families were able to access content in different ways, at different times whilst carefully balancing working from home or lack of access to digital platforms. In addition, practical resources were sent home to pupils, such as pens and note books, as well as IT equipment being loaned to both students and staff.

Hartley Primary School was used as a base for a community hub resourced by NHS volunteers for the distribution of food parcels and support to vulnerable and shielding members of the community. We supported families to access free school meal vouchers, providing a help desk for those families struggling with the technical aspects of accessing and spending the digital vouchers.

On 8th June Trustees agreed that our risk assessments were stringent enough to ensure that we were able to meet the government's request to open more widely to nursery, reception, Year 1 and Year 6 where possible, in addition to the continuing provision for children of key workers and vulnerable children. Our risk assessments to enable wider opening involved additional unplanned expenditure on items such as; cleaning materials and labour; additional sinks for hand washing; and signage and markings.

Self generated income sources, such as private nursery fees, fees from wrap around childcare and lettings, were affected by the restricted operations between April and September 2020.

Where contract clauses existed to enable reduction of costs (such as school catering contracts) these arrangements were undertaken with suppliers.

Where it was possible to use the government scheme to furlough staff this action was taken, for example where private nursery income was reduced..

Where staffing structures were under review and decisions had been taken to initiate restructures the Trust sought legal advice and paused or did not initiate such actions.

The Trust Leadership Group and Trustees agreed a set of ambitions for September 2020 during the pandemic:

We aim to look back at this period knowing that wherever possible we have done the right thing for our community. Whilst ensuring compliance with both normal and extraordinary regulation, we have targeted resources and prioritised our energy upon activity which will support our society in the long term. We will have looked forward with positivity about what it is possible for us to achieve working together.

- A. *Our pupils have remained safe and well looked after*
- B. *Our pupils have increased 'general knowledge, life skills, awareness of the world in which we live*
- C. *Our parents feel that they have been supported in keeping their families safe, happy and purposefully occupied*
- D. *The wellbeing of our staff is strong, they feel that they have been well supported and have a positive attitude towards returning to work in our schools*
- E. *The knowledge and expertise of our entire workforce has been enhanced*
- F. *Our Trustees and Local Governing Bodies have been fully utilised as supporters, challengers and advocates within the community.*
- G. *A revised Framework for Development (Assessment Centres) has been developed that will support the leadership progression of our leaders over the next five years.*
- H. *We have played a meaningful role as a strategic partner in civic leadership within our local communities and across our system.*
- I. *We have continued to attract and retain a quality workforce to our schools and are in a stronger position to recruit in the future.*
- J. *We have a thoroughly planned curriculum offer in place for 2020/21 which takes into account the missed time in schools.*

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees and senior leaders undertook rigorous budget setting activities for 2020/21 given the uncertainty and new risks created by the pandemic in terms of future income generation opportunities. Overall £550,000 of reserves have been set aside in the 2020/2021 budget as a precaution for any unplanned additional expenditure. This equates to £50,000 per school plus £100,000 at central trust level.

Maintaining the wellbeing and safety of our staff and pupils is always a priority for the Trustees of Learning in Harmony, however its importance was an amplified priority during the 2019/20 financial year.

September 2020 saw the full return to school for all pupils and staff, the full return of pupils was preceded by a four day staff induction to ensure that all staff were fully prepared for the new Covid-safe working practices. Trust Leaders undertook daily risk assessments with each school to ensure that staff, pupils and parents were safe and following guidelines whilst on school sites.

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.

The Admissions policy for each school can be found on the website.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance

Due to the Coronavirus pandemic that caused schools to only open for vulnerable children and children of key workers our pupils were unable to sit national key stage tests during 2019/20. Our 2018/19 key stage results are published on our school websites. The trust has made progress during the year on the key performance indicators set out below, however progress was interrupted by the lockdown and changes to working arrangements that were mandated.

John F Kennedy Special School (JFK)

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. Students there 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.

The exceptional impact made by the school on its pupils was recognised by the Outstanding grading at its Ofsted inspection in May 2017.

Key performance indicators

Strategic Priorities

The Directors agreed four key strategic priorities for the trust that cover the timeframe to 31 August 2020:

- A. All schools in the trust are enabled to reach good or better outcomes.
- B. To establish a self-sustaining, system-led, collaborative approach to improvement.
- C. To ensure high quality leadership and governance at Trust Board, Local Governing Board and academy level.
- D. To ensure that an effective and efficient business infrastructure operates throughout the trust, supporting school leaders in achieving excellent outcomes for pupils.

The success criteria for success by 2020 were defined as:

SCA1. Outcomes and progress at Foundation Stage, Key Stage 1 and Key Stage 2 are at or above national levels across the Trust and in each academy.

- Outcomes in Y1 phonics are above national levels across the Trust and in each academy.
- The impact on learning of teaching at all schools within the trust is good or better.
- All pupil groups are progressing at least in line with their peers and achievement gaps are narrowing.
- All academies are judged to be good or outstanding in OFSTED inspections.
- All academies benefit from Trust co-ordinated frequent support, monitoring and evaluation in line with the academy's current needs.
- On-going support and development work is delivered increasingly by academy colleagues, in close consultation with Trust-employed consultants.
- The Trust is engaged in the deployment of training places and there is evidence of recruitment coming from this pool of trainees.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

SCC1. The Trust Board is recognised as being high-performing and has the full trust of the Regional Schools Commissioner and the academies to lead the organisation forward.

SCC2. Leadership, including governance, is judged through our own systems and by inspectors to be good and outstanding in each academy.

SCC3. Local Governing Boards demonstrate clearly through their minutes and monitoring role, that they provide appropriate challenge and are clearly focused on raising standards in teaching and learning.

SCC4. Substantive leadership at senior level and well-developed middle leaders, are demonstrating clear progress in each academy

SCC5. All on-going safeguarding, health and safety and legal responsibilities continue to be met.

SCD1. The Trust has grown to include at least 10 schools with at least 14 forms of entry in both Newham and Southend.

SCD2. Academies express high levels of satisfaction with trust central services

SCD3. The staffing structure is clearly developed to manage school improvement, finance and human resources effectively.

SCD4. The Trust Board is able to effectively deliver growth and improved services across the Trust (see also Aim 3 above for governance).

SCD5. Financial forecasts indicate a stable budget position going forward, with no deficits corporately or in individual academies.

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.

Protecting the success of the academy trust

As directors of the charitable company, the Trustees have considered the interests of the Trust and its stakeholders in decision making. Trustees are highly cognisant of their role and the role of the schools in their communities as agents of transformation. The Trust Board is robust in its commitment to its own code of conduct and that of its staff. It is aware of the potential for conflicts of interest and puts in place mechanisms to counter these where they apply. The Trustees place a high premium on ethical practice, and making decisions that are right for the communities and children they serve. During the year, this included ensuring appropriate due diligence was conducted on decisions related to wider opening of schools in June, and agreeing a clear set of priorities for the Trust between March and September 2020 when schools were closed to the majority of pupils.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Most of the Multi Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 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 ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), 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 2020, total expenditure of £45,248k (2019: £40,896k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds, pension transferred on conversion/transfer and transfers to restricted fixed asset funds) was £2,110k (2019: £2,279k).

At 31 August 2020 the net book value of fixed assets was £92,077k (2019: £81,996k). Movements in tangible fixed assets are shown in note 13 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 and Southend Borough Council fund, in which the Trust participates, showed a deficit of £20,358k (2019: £15,642k) at 31 August 2020.

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 £3,204k (2019: £2,879k).

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 £2,627k (2019: £2,431k) (total funds less the amount held in fixed assets and restricted funds). The Trustees are aware that reserves have fallen below policy and are looking at policies and procedures to increase reserves in future periods.

Investment policy

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 2020 of £74,346k (2019: £68,785k) comprising £71,719k (2019: £66,354k) of restricted funds and £2,627k (2019: £2,431k) of unrestricted general funds. Of the restricted funds, £92,077k (2019: £81,996k) is represented by tangible fixed assets.

The Pension reserve, which is considered part of restricted funds, was £20,358k (2019: £15,642k) in deficit at 31 August 2020.

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

One of the main financial risks that the Learning in Harmony Multi Academy Trust has always had exposure to, 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. This risk is mitigated by careful management of Trust funds and a comprehensive budgeting process, which includes scenario planning for different funding modes.

However, as identified in the Trustees Strategic Report for 2019/20 a new risk emerged during the 2019/20 financial year relating to income generation opportunities affecting budget models. This risk is controlled through a thorough budget setting process and an overly cautious approach to management accounts reporting and deficit management during 2020/21.

Other risks identified by Directors include:

- The need to balance both the desire to grow and the capacity to grow;

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £20,358k (2019: £15,642k).

The Trust maintains a comprehensive Risk Policy and Risk Register, listing all identified risks and specifying current mitigation and additional mitigation to be put in place. This is regularly reviewed and updated by the Trust Business and Infrastructure Group, and has been regularly approved by Directors.

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.

Streamlined energy and carbon reporting

Energy consumption

Aggregate of energy consumption in the year

kWh

9,497,006

Emissions of CO2 equivalent

Scope 1 - direct emissions

- Gas combustion

metric tonnes

1,394.64

- Fuel consumed for owned transport

1.43

metric tonnes

1,396.07

Scope 2 - indirect emissions

- Electricity purchased

445.78

Scope 3 - other indirect emissions

- Fuel consumed for transport not owned by the academy trust

0.52

Total gross emissions

1,842.37

Intensity ratio

Tonnes CO2e per pupil

0.33

LEARNING IN HARMONY MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. LED Lighting, Solar panels, increased video conferencing, upgraded boilers plants and BMS systems.

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. In 2020/21 it will be working in partnership with Ambition Institute, Focus Education, Whole Education and Challenge Partners to ensure that it is learning from and contributing to effective practice networks from across the country.

The Trust is the approved provider for the new Special free School in Newham which will open in 2022 or 23. This exciting project provides the Trust to establish itself even further as a centre of excellence for SEND within both Newham and the surrounding area. There are likely to be opportunities for further growth, and the Trust looks forward to engaging with further schools who have a similar set of values, and a willingness to be supported and challenged to achieve even greater success.

In developing its strategic objectives for the future trustees are determined that the trust maximises its impact upon society in a sustainable way. The goals that the organisation sets itself focus not just on pupil outcomes, and providing an excellent quality of education in all schools. We also intend to ensure that our pupils are well prepared for all aspects of their later life, including the world of work, that staff and pupil well being and happiness is maximised; that we train and develop outstanding practitioners and school leaders; and that we have a positive impact upon our community and its environment.

Auditor

On 7 September 2020 Group Audit Service Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

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 Directors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16/12/2020 and signed on its behalf by:

DocuSigned by:

Robert Keller

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R Keller

LEARNING IN HARMONY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Directors	Meetings attended	Out of possible
H Hinchliffe	7	7
J King (Resigned 29 September 2019)	1	7
G Wilkie (Accounting Officer)	7	7
P Haslett (Acting Chair from 13 May 2020)	6	7
K Rotheram (Chair from 16 October 2019) (Resigned 13 May 2020)	1	7
L Udenwoke	4	7
R Keller	6	7
R Jones OBE (Appointed 2 September 2019)	7	7
M Miles (Appointed 9 September 2019)	5	7
P Saville	4	7
L J Cartmell (Appointed 11 September 2020)	0	0
B Spinks (Appointed 11 September 2020)	0	0

The board continues to review and reflect on its composition and working practices and has sought to recruit new Trustees during the 2019/20 financial year.

The Audit and Finance is a Committee of the main Board of Directors. Its purpose is to monitor budgets and challenge variances, to consider personnel issues, and make recommendations for budget approval to the Trustee Board based on information from the CFO and CEO. The Committee also review the reports produced by the Internal Auditor and ensure all issues raised are addressed. This Committee formally met 5 times during the period.

Attendance at meetings in the year was as follows;

Directors	Meetings attended	Out of possible
G Wilkie (Accounting Officer)	5	5
K Rotheram (Chair from 16 October 2019) (Resigned 13 May 2020)	0	5
L Udenwoke	3	5
R Keller	4	5

LEARNING IN HARMONY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 year to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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 year to 31 August 2020 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 to complete the internal audit function for the year 2019/20.

LEARNING IN HARMONY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Wilkins Kennedy 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 was carried out by a separate office Wilkins Kennedy with no connection to the audit team, this is to ensure the reviews are carried out independently.

The directors confirm that the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.

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.

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.

16 / 12 / 2020

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

G Wilkie
Accounting Officer

DocuSigned by:
Gary Wilkie
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R Keller

DocuSigned by:
Robert Keller
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LEARNING IN HARMONY MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

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 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 Academies Financial Handbook 2019.

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 2019.

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.

G Wilkie
Accounting Officer

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.....*Gary Wilkie*.....
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LEARNING IN HARMONY MULTI ACADEMY TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 Academies Accounts Direction 2019 to 2020 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 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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.

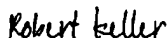
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 ESFA/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 16 / 12 / 2020 and signed on its behalf by:

DocuSigned by:



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R Keller

LEARNING IN HARMONY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING IN HARMONY MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Learning in Harmony Multi Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

LEARNING IN HARMONY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING IN HARMONY MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' 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 Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of Directors' responsibilities, the directors 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 directors 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 directors 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 directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

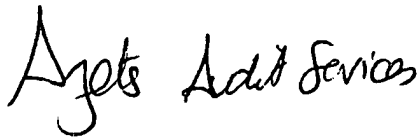
LEARNING IN HARMONY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING IN HARMONY MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.



**Catherine Cooper (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor**

17 December 2020
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Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

LEARNING IN HARMONY MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 13 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 1 September 2019 to 31 August 2020 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 ESFA 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 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 Learning in Harmony Multi Academy Trust and ESFA, 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 17 December 2020

LEARNING IN HARMONY MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	128	-	1,252	1,380	1,215
Donations - transfer from local authority on conversion		-	-	-	-	6,156
Donations - transfer of existing academy into the trust		297	(1,481)	10,808	9,624	-
Charitable activities:						
- Funding for educational operations	4	-	38,598	-	38,598	34,831
Other trading activities	5	2,473	-	-	2,473	2,134
Investments	6	8	-	-	8	15
Total		<u>2,906</u>	<u>37,117</u>	<u>12,060</u>	<u>52,083</u>	<u>44,351</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	<u>1,893</u>	<u>41,721</u>	<u>1,634</u>	<u>45,248</u>	<u>40,896</u>
Total	7	<u>1,893</u>	<u>41,721</u>	<u>1,634</u>	<u>45,248</u>	<u>40,896</u>
Net income/(expenditure)		1,013	(4,604)	10,426	6,835	3,455
Transfers between funds	18	(817)	1,162	(345)	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(1,274)	-	(1,274)	(3,596)
Net movement in funds		196	(4,716)	10,081	5,561	(141)
Reconciliation of funds						
Total funds brought forward		<u>2,431</u>	<u>(15,642)</u>	<u>81,996</u>	<u>68,785</u>	<u>68,926</u>
Total funds carried forward		<u>2,627</u>	<u>(20,358)</u>	<u>92,077</u>	<u>74,346</u>	<u>68,785</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £'000	Restricted funds: General	Fixed asset £'000	Total 2019 £'000
Income and endowments from:					
Donations and capital grants	3	214	-	1,001	1,215
Donations - transfer from local authority on conversion		197	(1,766)	7,725	6,156
Charitable activities:					
- Funding for educational operations	4	-	34,831	-	34,831
Other trading activities	5	2,134	-	-	2,134
Investments	6	15	-	-	15
Total		<u>2,560</u>	<u>33,065</u>	<u>8,726</u>	<u>44,351</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	1,843	37,827	1,226	40,896
Total	7	<u>1,843</u>	<u>37,827</u>	<u>1,226</u>	<u>40,896</u>
Net income/(expenditure)		717	(4,762)	7,500	3,455
Transfers between funds	18	(1,226)	1,278	(52)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(3,596)	-	(3,596)
Net movement in funds		(509)	(7,080)	7,448	(141)
Reconciliation of funds					
Total funds brought forward		2,940	(8,562)	74,548	68,926
Total funds carried forward		<u>2,431</u>	<u>(15,642)</u>	<u>81,996</u>	<u>68,785</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2020**

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		92,077		81,996
Current assets					
Debtors	14	2,566		2,823	
Cash at bank and in hand		4,164		2,585	
		6,730		5,408	
Current liabilities					
Creditors: amounts falling due within one year	16	(4,103)		(2,977)	
Net current assets			2,627		2,431
Net assets excluding pension liability			94,704		84,427
Defined benefit pension scheme liability	20		(20,358)		(15,642)
Total net assets			74,346		68,785
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			92,077		81,996
- Pension reserve			(20,358)		(15,642)
Total restricted funds			71,719		66,354
Unrestricted income funds	18		2,627		2,431
Total funds			74,346		68,785

16/12/2020

The accounts on pages 27 to 55 were approved by the directors and authorised for issue on and are signed on their behalf by:

DocuSigned by:

Robert Keller

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R Keller

Company Number 09148738

LEARNING IN HARMONY MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		929		(2,792)
Cash funds transferred on conversion			297		197
			<u>1,226</u>		<u>(2,595)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		8		15	
Capital grants from DfE Group		1,042		997	
Capital funding received from sponsors and others		210		4	
Purchase of tangible fixed assets		(907)		(949)	
		<u></u>	<u>353</u>	<u></u>	<u>67</u>
Net cash provided by investing activities			<u>353</u>		<u>67</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			<u>1,579</u>		<u>(2,528)</u>
Cash and cash equivalents at beginning of the year			<u>2,585</u>		<u>5,113</u>
Cash and cash equivalents at end of the year			<u><u>4,164</u></u>		<u><u>2,585</u></u>
Relating to:					
Bank and cash balances			<u>4,164</u>		<u>2,085</u>
Short term deposits			<u>-</u>		<u>500</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Learning in Harmony Multi Academy Trust 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 Directors' 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors 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 Conversion to an academy trust

The assets and liabilities transferred in of The New North Academy to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer of existing academy into the Trust in the Statement of Financial Activities and analysed under, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

1.4 Income

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

Grants

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

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

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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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.

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.6 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 at John F Kennedy School, Sheringham Primary School and Upton Cross Primary School have been included at the valuation provided by the EFA when completing their desktop valuation.

The Hartley Primary School land and buildings have been included at the valuation provided by the London Borough of Newham as at 31 March 2016.

The properties at Blenheim Primary School, Drew Primary School and Greenways Primary School have been included at the valuations provided by Stanley Hicks Chartered Surveyors as at October 2017.

The property at Temple Sutton Primary School has been included at a valuation provided by Stanley Hicks Chartered Surveyors as at December 2018.

The New North Academy land and buildings have been included at the valuation provided by the London Borough of Islington as at September 2011

The trust has a 125 year lease from the date of conversion of each school for the use of the land and buildings with the local authority.

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

Land and buildings	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.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.8 Leased assets

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 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.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA 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 26.

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 20, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	1,252	1,252	1,001
Other donations	128	-	128	214
	<u>128</u>	<u>1,252</u>	<u>1,380</u>	<u>1,215</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	26,574	26,574	24,826
Other DfE group grants	-	4,189	4,189	3,186
	-	30,763	30,763	28,012
Other government grants				
Local authority grants	-	5,266	5,266	4,560
Special educational projects	-	2,531	2,531	2,259
	-	7,797	7,797	6,819
Exceptional government funding				
Coronavirus job retention scheme grant	-	33	33	-
Coronavirus exceptional support	-	5	5	-
	-	38	38	-
Total funding	-	38,598	38,598	34,831

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £5,250 for exceptional cleaning and free school meal costs. These costs are included in notes 7 and 9 below as appropriate.

- The academy furloughed some of its early years nursery staff under the government's CJRS. The funding received of £33,262 relates to staff costs in respect of 29 staff which are included within note 10 below as appropriate.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	107	-	107	111
Catering income	129	-	129	254
Other income	2,237	-	2,237	1,769
	2,473	-	2,473	2,134

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Short term deposits	8	-	8	15

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	26,443	1,163	1,201	28,807	27,248
- Allocated support costs	8,852	4,252	3,337	16,441	13,648
	35,295	5,415	4,538	45,248	40,896

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	23	21
- Other services	8	9
Operating lease rentals	10	33
Depreciation of tangible fixed assets	1,634	1,226
Net interest on defined benefit pension liability	309	262

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

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

- Legal Advice
- Consultant support for structures/ sponsorship application.
- Consultancy support for due diligence process for further converters or sponsorships
- Statutory accounting, Finance Monitoring/Support and audit costs
- CEO costs
- Company Secretary costs
- H&S system management costs
- Insurances apart from minibus and supply cover insurance
- Marketing and Publicity
- Training and Development for Directors
- Cost of trust related coaching and training.
- Central Office Infrastructure
- Cost of Apprentice Levy
- HR and Payroll costs
- Governing Body Clerking services
- Infrastructure to support alarm monitoring and key holding services.
- Infrastructure to support security where there is vulnerability identified by external exercise.
- Cost of Banking and Cash Collection
- Cost of Accountancy and budgeting packages and infrastructure to support it.
- Costs of MIS system and support
- Core costs of LGFL/TRUSTnet Broadband Service
- ICT Strategic Support
- Other ICT Services
- ICT Innovation
- Cost of sickness absence and maternity cover insurance
- Minibus Insurance (including the cost of training and accrediting minibus drivers
- Core compliance of facilities management planned maintenance.
- Cost of minimum school improvement work required to ensure that all trust schools provide at least a 'good' standard of education provision and meet the vision of the Learning in Harmony Trust
- Leadership Development
- Teacher Development
- Costs of Co-ordinated Recruitment Campaigns
- Safeguarding
- Employee wellbeing
- Assessment tools

The academy trust charges for these services on the following basis:
7.0% (2019: 6.35%) of GAG School Budget Share

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2020 £'000	2019 £'000
Temple Sutton Primary School	285	287
New North Academy	179	-
Hartley Primary School	319	280
Upton Cross Primary	358	331
John F Kennedy School	340	260
Sheringham Primary School	300	264
Blenheim Primary School	180	158
Drew Primary School	204	179
Greenways Primary School	269	231
	<u>2,434</u>	<u>1,990</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	125	28,682	28,807	27,248
Support costs				
Educational operations	1,768	14,673	16,441	13,648
	<u>1,893</u>	<u>43,355</u>	<u>45,248</u>	<u>40,896</u>

	2020 £'000	2019 £'000
Analysis of support costs		
Support staff costs	8,852	6,890
Depreciation	471	271
Technology costs	361	319
Premises costs	3,781	3,248
Legal costs	65	36
Other support costs	2,880	2,854
Governance costs	31	30
	<u>16,441</u>	<u>13,648</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	23,927	23,227
Social security costs	2,213	2,021
Pension costs	6,281	4,939
Staff costs - employees	32,421	30,187
Agency staff costs	2,519	1,082
Staff restructuring costs	-	37
	34,940	31,306
Staff development and other staff costs	355	392
Total staff expenditure	35,295	31,698

Staff restructuring costs comprise:

Redundancy payments	-	37
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Staff numbers

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

	2020 Number	2019 Number
Teachers	345	303
Administration and support	708	595
Management	48	52
	1,101	950

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,000- £70,000	21	19
£70,001- £80,000	9	7
£80,001 - £90,000	4	4
£90,001 - £100,000	4	3
£100,001 - £110,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £907k (2019: £935k).

11 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 £140,000 - £145,000 (2019: £135,000 - £140,000)
- Employer's pension contributions £20,000 - £25,000 (2019: £20,000 - £25,000)

During the year, curriculum consumables and travel costs of £922 (2019: £2,069) were reimbursed to three directors (2019: three directors).

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

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Insurance for directors and officers

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.

All other schools

In accordance with normal commercial practice, all the other schools, with the exception of John F Kennedy Special School, have 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 year ended 31 August 2020 and 31 August 2019 cannot be ascertained as it is included in the general insurance premium.

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2019	84,403	685	878	85,966
Transfer of existing academy	10,627	12	169	10,808
Additions	-	74	833	907
At 31 August 2020	95,030	771	1,880	97,681
Depreciation				
At 1 September 2019	3,233	390	347	3,970
Charge for the year	1,163	153	318	1,634
At 31 August 2020	4,396	543	665	5,604
Net book value				
At 31 August 2020	90,634	228	1,215	92,077
At 31 August 2019	81,170	295	531	81,996

Included in land and buildings is land valued at £38,638 (2019: £36,368k) which is not depreciated.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	551	365
VAT recoverable	1,304	1,672
Other debtors	35	7
Prepayments and accrued income	676	779
	<u>2,566</u>	<u>2,823</u>

15 Short term deposits

Included in cash at bank is £Nil (2019: £500k) held in short term deposit accounts.

16 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	1,280	899
Other taxation and social security	522	518
Other creditors	536	446
Accruals and deferred income	1,765	1,114
	<u>4,103</u>	<u>2,977</u>

17 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	<u>1,134</u>	<u>868</u>
Deferred income at 1 September 2019	868	1,249
Released from previous years	(868)	(1,249)
Resources deferred in the year	<u>1,134</u>	<u>868</u>
Deferred income at 31 August 2020	<u>1,134</u>	<u>868</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals, growth funding, early years funding and rates relief relating to 2020/21.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	26,574	(27,736)	1,162	-
Other DfE / ESFA grants	-	4,194	(4,194)	-	-
Other government grants	-	7,830	(7,830)	-	-
Pension reserve	(15,642)	(1,481)	(1,961)	(1,274)	(20,358)
	<u>(15,642)</u>	<u>37,117</u>	<u>(41,721)</u>	<u>(112)</u>	<u>(20,358)</u>
Restricted fixed asset funds					
DfE group capital grants	-	12,060	-	(12,060)	-
General fixed assets	81,996	-	(1,634)	11,715	92,077
	<u>81,996</u>	<u>12,060</u>	<u>(1,634)</u>	<u>(345)</u>	<u>92,077</u>
Total restricted funds	<u>66,354</u>	<u>49,177</u>	<u>(43,355)</u>	<u>(457)</u>	<u>71,719</u>
Unrestricted funds					
General funds	2,431	2,906	(1,893)	(817)	2,627
	<u>2,431</u>	<u>2,906</u>	<u>(1,893)</u>	<u>(817)</u>	<u>2,627</u>
Total funds	<u>68,785</u>	<u>52,083</u>	<u>(45,248)</u>	<u>(1,274)</u>	<u>74,346</u>

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

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

Other DfE/ESFA grants: This includes the pupil premium rates relief, insurance, UIFSM, teachers pay grants, teachers pension grants, sports funding and exceptional COVID funding support

Other government grants: This includes SEN funding, growth funding, early years funding, additional pupil premium, teachers pay and pension grant and free school meal funding received from the Local Authority.

DfE/ESFA capital grants: This includes Devolved Formula Capital and school condition allocations

The transfer of funds relate to the purchase of fixed assets during the period and the excess of GAG expenditure over income.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	24,826	(26,104)	1,278	-
Other DfE / ESFA grants	-	3,186	(3,186)	-	-
Other government grants	-	6,819	(6,819)	-	-
Pension reserve	(8,562)	(1,766)	(1,718)	(3,596)	(15,642)
	<u>(8,562)</u>	<u>33,065</u>	<u>(37,827)</u>	<u>(2,318)</u>	<u>(15,642)</u>
Restricted fixed asset funds					
Transfer on conversion	-	7,725	-	(7,725)	-
DfE group capital grants	-	1,001	-	(1,001)	-
General fixed assets	74,548	-	(1,226)	8,674	81,996
	<u>74,548</u>	<u>8,726</u>	<u>(1,226)</u>	<u>(52)</u>	<u>81,996</u>
Total restricted funds	<u>65,986</u>	<u>41,791</u>	<u>(39,053)</u>	<u>(2,370)</u>	<u>66,354</u>
Unrestricted funds					
General funds	<u>2,940</u>	<u>2,560</u>	<u>(1,843)</u>	<u>(1,226)</u>	<u>2,431</u>
Total funds	<u>68,926</u>	<u>44,351</u>	<u>(40,896)</u>	<u>(3,596)</u>	<u>68,785</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Total funds analysis by academy					
				2020	2019
Fund balances at 31 August 2020 were allocated as follows:				£'000	£'000
Temple Sutton Primary School				1	1
New North Academy				1	-
Hartley Primary School				1	1
Upton Cross Primary				1	1
John F Kennedy School				1	1
Sheringham Primary School				1	1
Blenheim Primary School				1	1
Drew Primary School				1	1
Greenways Primary School				1	1
Central services				2,618	2,423
Total before fixed assets fund and pension reserve				2,627	2,431
Restricted fixed asset fund				92,077	81,996
Pension reserve				(20,358)	(15,642)
Total funds				74,346	68,785

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Temple Sutton Primary School	2,609	1,315	52	452	4,428	4,802
New North Academy	1,615	547	18	469	2,649	-
Hartley Primary School	3,590	534	66	785	4,975	4,845
Upton Cross Primary	3,858	462	88	836	5,244	5,507
John F Kennedy School	3,328	1,117	21	586	5,052	4,379
Sheringham Primary School	3,075	610	50	877	4,612	4,635
Blenheim Primary School	2,058	931	24	317	3,330	3,343
Drew Primary School	2,018	357	104	416	2,895	3,140
Greenways Primary School	3,378	682	73	640	4,773	4,767
Central services	559	2,297	45	2,755	5,656	2,534
	<u>26,088</u>	<u>8,852</u>	<u>541</u>	<u>8,133</u>	<u>43,614</u>	<u>37,952</u>

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	92,077	92,077
Current assets	2,627	4,103	-	6,730
Creditors falling due within one year	-	(4,103)	-	(4,103)
Defined benefit pension liability	-	(20,358)	-	(20,358)
Total net assets	<u>2,627</u>	<u>(20,358)</u>	<u>92,077</u>	<u>74,346</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	81,996	81,996
Current assets	2,431	2,977	-	5,408
Creditors falling due within one year	-	(2,977)	-	(2,977)
Defined benefit pension liability	-	(15,642)	-	(15,642)
Total net assets	2,431	(15,642)	81,996	68,785

20 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 London Borough of Newham and Essex County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £538k (2019: £439k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £3,073 (2019: £1,950k).

Scheme changes

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.5 to 25% for employers and 5.5 to 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations (Continued)

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	1,667	1,521
Employees' contributions	449	416
Total contributions	2,116	1,937
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.2	3.65
Rate of increase for pensions in payment/inflation	2.2	2.15
Discount rate for scheme liabilities	1.65	1.9
Inflation assumption (CPI)	2.2	2.15

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.3
- Females	23.8	23.6
Retiring in 20 years		
- Males	23.2	23
- Females	25.2	25.4

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

	2020 £'000	2019 £'000
Discount rate + 0.1%	-896	-710
Discount rate - 0.1%	798	729
Mortality assumption + 1 year	1253	987
Mortality assumption - 1 year	-1136	-953
Pension rate +0.1%	844	639
Pension rate -0.1%	-768	-621
Salary rate +0.1%	79	88
Salary rate -0.1%	-77	-87

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2020 Fair value £'000	2019 Fair value £'000
Equities	7,556	6,395
Other bonds	1,624	861
Cash	660	600
Alternative assets	1,698	1,169
Property	1,242	968
Other assets	475	737
Total market value of assets	<u>13,255</u>	<u>10,730</u>

The actual return on scheme assets was £(311,000) (2019: £653,000).

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	3,308	2,605
Past service cost	-	367
Interest income	(239)	(244)
Interest cost	548	506
Administration expenses	11	5
Total operating charge	<u>3,628</u>	<u>3,239</u>

Changes in the present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September 2019	26,372	15,449
Transferred in on existing academies joining the academy trust	2,482	3,136
Current service cost	3,308	2,605
Interest cost	548	506
Employee contributions	449	416
Actuarial loss	724	4,005
Benefits paid	(270)	(112)
Past service cost	-	367
At 31 August 2020	<u>33,613</u>	<u>26,372</u>

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

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

	2020 £'000	2019 £'000
At 1 September 2019	10,730	6,887
Transferred in on existing academies joining the academy trust	1,001	1,370
Interest income	239	244
Actuarial loss/(gain)	(550)	409
Employer contributions	1,667	1,521
Employee contributions	449	416
Benefits paid	(270)	(112)
Administration expenses	(11)	(5)
At 31 August 2020	13,255	10,730

21 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income for the reporting period (as per the statement of financial activities)	6,835	3,455
Adjusted for:		
Net surplus on conversion to academy	-	(6,156)
Net surplus on transfer of academy in the trust	(9,624)	-
Capital grants from DfE and other capital income	(1,252)	(1,001)
Investment income receivable	(8)	(15)
Defined benefit pension costs less contributions payable	1,652	1,456
Defined benefit pension scheme finance cost	309	262
Depreciation of tangible fixed assets	1,634	1,226
Decrease/(increase) in debtors	257	(1,187)
Increase/(decrease) in creditors	1,126	(832)
Net cash provided by/(used in) operating activities	929	(2,792)

22 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	2,085	2,079	4,164
Cash equivalents	500	(500)	-

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 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.

24 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	56	31
Amounts due in two and five years	92	54
	<u>148</u>	<u>85</u>

25 Related party transactions

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

During the year G Wilkie became a member of the governing board of Capitva Learning who provided services to the Academy of £2,173.

During the year R Peltier the husband of E Peltier provided music tutoring to the academy of £13,760 (2019: £9,490).

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.

LEARNING IN HARMONY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £6k (2019: £6k) and disbursed £6k (2019: £6k) from the fund.

28 Transfer of existing academies into the academy trust

New North Academy

On 1 September 2019 the New North Academy joined the Learning in Harmony and all of its assets, liabilities and activities were transferred on that date.

	Transfer in recognised £'000
Net assets acquired	
Freehold land and buildings	10,627
Other tangible fixed assets	181
Cash and cash equivalents	297
Pension scheme	(1,481)
Total net assets	9,624

There were no fair value adjustments required to the values reported by the transferring trust.