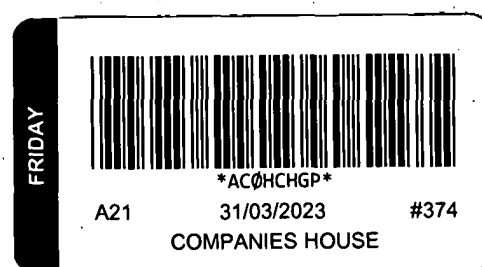


Company Registration Number: 09148738 (England & Wales)

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2022



Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 21
Statement on regularity, propriety and compliance	22
Statement of trustees' responsibilities	23
Independent auditor's report on the financial statements	24 - 28
Independent reporting accountant's report on regularity	29 - 30
Statement of financial activities incorporating income and expenditure account	31
Balance sheet	32
Statement of cash flows	33
Notes to the financial statements	34 - 63

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Collier H Hinchliffe R Matthew P Hill N Urum-Eke
Trustees	P Haslett G Wilkie, Accounting Officer H Hinchliffe R Keller (resigned 23 February 2022) R Jones OBE (resigned 25 March 2022) M Miles (resigned 10 March 2022) C Mulenga (appointed 19 November 2021) P Saville G Kader (appointed 28 September 2022) L Cartmell B Spinks, Chair of Trustees L Udenwoke (resigned 22 September 2021)
Company registered number	09148738
Company name	Learning in Harmony Multi Academy Trust
Principal and registered office	Hartley Primary School Hartley Avenue London E6 1NT
Chief executive officer	G Wilkie
Senior management team	G Wilkie, Chief Executive Officer J Naish, Chief Operating Officer A Eastwood, Trust Executive Headteacher E Gleeson (previously Peltier), Trust Executive Headteacher D Woollard, Trust Executive Headteacher
Independent auditor	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
Bankers	Lloyds Bank 39 Threadneedle Street London EC2R 8AU

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the year ended 31 August 2022

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Academies operated

Temple Sutton Primary School
The New North Academy
Hartley Primary School
Upton Cross Primary
John F Kennedy School
Sheringham Primary School
Learning in Harmony Trust
Blenheim Primary School
Drew Primary School
Greenways Primary School
Edwards Hall Primary School

Location

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

Leigh-on-Sea
Silvertown
Southend-on-Sea
Leigh-on-Sea

Principal

O Laniyan
A Eastwood
L McClay
C Moore
J Robinson
G Wilkie
G Wilkie
A Wiley
D Sharpe
T Goodrich
J Johnson

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Principal activities

The principle activity of the Learning in Harmony Multi Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining and carrying on, managing and developing schools offering a broad and balanced curriculum.

For the period 1 September 2021 to 1 December 2021 the Trust operated 9 academies based in the London Borough of Newham, the City of Southend-on-Sea and the London Borough of Islington, on 1 December 2021 the 10th Academy joined the Trust in the City of Southend-on-sea.

In the census taken on 7th October 2022 the schools had the following number of pupils on roll:

London Borough of Newham:

- John F Kennedy Special School, for pupils aged 4 to 19. A pupil capacity of 141 and had a roll of 141.
- Sheringham Primary School, for pupils aged 4 to 11. A pupil capacity of 690 and had a roll of 588.
- Upton Cross Primary School, for pupils aged 3 to 11. A pupil capacity of 1200, and had a roll of 728.
- Hartley Primary School, for pupils aged 3 to 11. A pupil capacity of 960 and had a roll of 740.
- Drew Primary school, for pupils aged 4 to 11. A pupil capacity of 480 and a roll of 391.

Borough of Southend on Sea:

- Blenheim Primary School, for pupils aged 3 to 11. A pupil capacity of 676 and a roll of 652.
- Edwards Hall Primary School, for pupils aged 4 to 11. A pupil capacity of 420 and a roll of 394.
- Greenways Primary School for pupils aged 4 to 11. A capacity of 960 and a roll of 949.
- Temple Sutton School, for pupils ages 3 to 11. A pupil capacity of 898 and a roll of 762.

London Borough of Islington:

- The New North Academy, for pupils aged 3 to 11. A pupil capacity of 315 and a roll of 229.

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

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity (registration no. 09148738). The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

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.

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, New North Academy joined on 1 September 2019, more recently Edwards Hall Primary School joined on 1 December 2021.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Each Director is covered by the RPA insurance scheme rules in relation to governors liability expense.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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.

As at 31 August 2021 there were 5 members appointed under article 15A.

The Articles of Association of the Trust were last renewed on 02 November 2022. Accordingly the number of Directors shall be not less than 3, but shall not be subject to a maximum. The Learning In Harmony Multi Academy Trust shall have the following Directors:

- up to 9 Directors appointed by the members,
- the Chief Executive Officer may be, and is currently, 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 reappointed or re-elected.

e. Policies adopted for the induction and training of Trustees

During the period under review the Directors held 6 meetings, and one Director was appointed by the Members during the year, and one subsequently up to the date of this report.

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
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

f. 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 Risk and Audit, Finance and HR and Remuneration Committees. The levels of delegation are set out in the Board's Scheme of Delegation. The scheme of delegation was reviewed and revisions were adopted in July 2021.

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 Risk & Audit and Finance Committees 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. During the 2021-2022 financial year the Risk and Audit Committee and Finance Committee ensured that the bank accounts, financial systems and financial records were operated by more than one person and that full and accurate accounting records support the proposed Trust's annual accounts. The committee reports to the Trustees, but can refer significant issues directly to Members where Trustees fail to act appropriately.

The HR and Remuneration Committee ensures 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 are kept under regular review.

To ensure that Trustees have the opportunity to consult, inform and involve Local Governing Bodies at all levels of the organisation, governor briefing sessions are regularly held, along with a Trust wide annual governance day. Representatives from all Local Governing Bodies are invited to these events, and the view of governors 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 weekly and reports to the Trustee Board on the operational performance and strategic management of the Trust.

Trust Central Team

The academies within Learning in Harmony are supported by a central business team and central Executive Leaders. The following roles were in place at the end of the financial year:

- Tier 1 and 2: A central team comprising a full time CEO and a Chief Operating Officer, four Executive Head Teachers
- Tier 3: HR Director, Finance Director, Head of IT, Premises and Compliance Manager.
- Tier 4: Three HR Officers and a HR assistant, an ICT Operations Manager, two senior finance officers, a finance administrator, a Media and Communications Officer, a Trust Premises and Health & Safety Manager and a Trust administration 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.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

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:

- Ensuring that support and services to mitigate the impact of coronavirus on teaching, learning and wellbeing were in place
- School and organisational improvement
- Ambition curriculum development programme

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

g. 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 and in 2020 this process led to a defined CEO leadership payscale being formalised as part of the Trust Leadership Group payscale.

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 coordinate 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. In 2020 the Trust Leadership Group payscale was formalised.

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 and in 2020 the COO leadership payscale was formalised.

In 2021 Learning in Harmony participated in a national Multi Academy Trust salary benchmarking exercise and the results were reported to the HR and Remuneration Committee for consideration.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	36
Total pay bill	31,278,079
Percentage of 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	15 %
---	------

i. Engagement with employees (including disabled persons)

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, and regular visits by the Trust Leadership Group link to each school. During 2020/21 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. In 2021/22 our staff were encouraged to engage in a nationally benchmarked cultural audit; this work will continue into the 2022/23 financial year. We have specific staff intranet sites for information and news, staff updates and access to policies and a termly newsletter is produced and distributed to all staff. 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.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

j. Engagement with suppliers, customers and others in a business relationship with the Academy

The Trust recognises that as a public service education 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 2021/22 we sought out opportunities as a Trust and within our individual academies to engage with parents and carers on their views.

Objectives and activities

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.

a. Objects and aims

The Learning in Harmony Trust's objects are as follows:

- to advance for the public benefit education in the United Kingdom, through establishing and maintaining schools offering a broad and balanced curriculum, this includes alternative provision schools and special education schools;
- to provide facilities for recreation and leisure for those within our communities with the object of improving the condition of life for those within our communities;
- to promote physical, intellectual and social development of children under five, especially those who are socially and economically disadvantaged.

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.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Objectives and activities (continued)

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.

b. 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. Our charitable objective is Education for Public Benefit.

The Trust works with the Local Authorities in which its schools are based to ensure that the catchment areas are clearly defined as part of the joint local admission arrangements. The admissions policy for each school defines its catchment area and admissions criteria, these are published on the schools' websites and as part of the Local Authority admissions schemes. Pupils are admitted if they meet the admissions criteria as published.

A small number of volunteer adults support in some of the Trust's schools where it is deemed appropriate for the pupils and the context of the school. Volunteers are generally engaged in reading activities with our pupils, this will have been beneficial to pupils needing support and practice reading aloud to gain confidence

Strategic report

Achievements and performance

Leadership: Aim - By 2025 we aim to have exceptional leaders, at all levels across the trust who are ready or preparing for their next leadership challenge.

Progress:

We have mapped out our leadership development opportunities across the Trust and identified leadership pathways for a range of roles within the Trust. We have a strong understanding of the current status of leadership development within our schools and know what works well and what has the most impact

Curriculum and Assessment: Aim - We have a curriculum in every school that enables pupils to thrive in life, learning and work

Progress:

We have worked to ensure that all schools are clear about their curriculum intent and planned implementation; curriculum plans are ambitious for all learners and allow for progression of knowledge, skills and attitudes, which supports the trust's vision of making a positive difference to society. Work is well underway at each of our schools to implement the curriculum intent.

Teaching and Learning: Aim - There is exceptional engagement and learning for all pupils

Progress:

We have developed a shared understanding of what effective teaching and learning is and this is beginning to be applied in schools across the trust.

SEND: Aim - All SEN pupils in our schools are thriving and are prepared for life and in readiness for the next stage of their journey

Progress:

We have audited our schools and have an excellent understanding of the approach taken in each setting, we have developed enhanced relationships with the three local authorities within which we operate, we have developed and enhanced relationships with other trusts and SEN agencies. These actions will enable us to progress to ensure that support for SEN developments is coordinated and overseen by the centre of the Trust.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

Trust Growth and centralisation of services:

Progress:

Edwards Hall Primary School joined the Trust in December 2021, becoming the 10th member of the Trust family of schools; further conversations have taken place with other schools wishing to find out about joining the Trust.

Ofsted inspection outcomes:

During the period of preparation of the Strategic Report of the Trustees for 2021 / 2022 each of the Trust schools was rated as good or outstanding.

a. Key performance indicators

The Trustees are of the opinion that given the nature of the management of the business the key metrics which require specific monitoring are:

Outcomes based:

- Ofsted inspection outcomes
- Key stage results - the latest results published on our websites are for 18/19

Context based:

- Student numbers- which provides the basis for funding from the EFSA
- Pay % of Total income
- Number of teachers
- Teachers payroll cost and
- Average teacher cost
- No of students per teacher
- Debtors % over 60 days

The key stage results published on our websites are for 18/19 as due to the impact of the COVID-19 Pandemic, the Department for Education has advised that schools continue to publish their 2018/19 data until further notice.

b. Going concern

After making appropriate enquiries, the board of Trustees agreed on 28 September 2022 that it has a reasonable expectation that the 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.

c. Promoting the success of the company

A key focus of the Trustee Board during the 2021/2022 financial year was holding the Executive Team to account for ensuring that pupils were safe and happy and continuing to receive a well sequenced learning offer. During the year, Trustees invited Head Teachers and Trust Leadership Group members to attend Trustee Board meetings in order to understand and reassure themselves of the work of the Trust.

Trustees actively attended governing body meetings and the annual Trust Wide Governance day which was held in March 2022.

Trustees received regular progress reports during the year, in particular relating to the proposed opening of the Connaught Special Free School in Newham.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

One new Trustee was appointed during the financial year and one subsequently up to the date of this report. These appointments enhanced and complimented the existing education sector and financial skills within the Board. A further skills review was conducted in the summer term which enabled the board to actively consider future appointments and succession planning to key Trustee Board roles.

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 2022 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 2022, total expenditure of £48,897k (2021: £47,190k) 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 £239k (2021: £296k). At 31 August 2022 the net book value of fixed assets was £94,787K (2021: £90,567k). Movements in tangible fixed assets are shown in note 14 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, Essex Council and Islington Council, which the Trust participates, showed a deficit of £5,446k (2021: £25,697k) at 31 August 2022.

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 one month's payroll expenditure, approximately £1,500k, the reason for this is to provide sufficient reserves to cover delays between spending and receipt of grants and unexpected emergencies. The Directors have agreed to the use of reserves in the 2022/23 financial year in order to achieve centralisation efficiencies, in addition a programme of activity to create savings in future years has been agreed. The Multi Academy Trust's current level of free reserves of £2,684k (2021: £2,923k) (total funds less the amount held in fixed assets and restricted funds).

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.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

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 to the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant and further unfunded pay awards for teachers and support staff.

This risk is mitigated by careful management of Trust funds and a comprehensive budgeting process, which includes scenario planning for different funding modes.

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 £5,446k (2021: £25,697k)
- Rising inflation, utilities costs and teaching and support staff pay awards

The Trust maintains a comprehensive 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 Leadership Group, and has been regularly approved by Directors.

The Directors have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating specifically to 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 continue to ensure that systems, including operational procedures of internal financial controls are reviewed and refined 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.

Fundraising

The Trust plans to expand by adding new Academies which subscribe to the Trust's ethos, aims and objectives and where the Board considers that mutual benefits will arise.

During the summer of 2022 the Trust engaged the services of an external fundraising consultant to support with bid writing and grant funding applications.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

	2022	2021
Energy consumption used to calculate emissions (kWh)	8,237,604	12,352,823
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	1,014	1,430
Owned transport	1	1
Total scope 1	1,015	1,431
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	635	1,067
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	-	1
Total gross emissions (in tonnes of CO2 equivalent):	1,650	2,499
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.03	0.04

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 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2022

Plans for future periods

The 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. Specifically Trustees will:

- Work alongside the Trust Leadership Team to ensure that the Vision 2025 Strategic Plan is implemented reflecting the ambition and values of the trust including:
- A revised quality improvement framework that will allow all schools to self-evaluate accurately the quality of their provision.
- Rigorous and appropriately paced school improvement plans which include detail of how a school's strengths will be shared and utilised across the trust.
- A clear set of curriculum goals is developed which articulates the trust's vision and values and provides a foundation for each school's individual curriculum intent.
- A shared framework of what constitutes excellent teaching is developed, which will be used as a foundation for the refinement of individual school teaching and learning policies.
- Support, challenge and hold the Trust Leadership Team to account for their actions in ensuring that the Trust's goals are achieved
- Ensure all actions taken to achieve the trust's goals are within the Trust's regulatory framework including the Academy Trust Handbook and Articles of Association.

Auditor

Insofar as the trustees are aware:

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

Auditor

The auditor, Kreston Reeves LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2022 and signed on its behalf by:

Ben Spinks

B Spinks
Chair of Trustees

Gary Wilkie

G Wilkie
Accounting Officer

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Governance Statement

Scope of responsibility

As Trustees, 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 or loss.

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Haslett (Chair to 27 September 2022)	2	6
G Wilkie, Accounting Officer	6	6
H Hinchliffe	5	6
R Keller (resigned 23/02/2022)	3	6
R Jones OBE (resigned 25/03/2022)	3	6
M Miles (resigned 10 March 2022)	1	6
C Mulenga (appointed 19 November 2021)	4	6
P Saville	6	6
L Cartmell	5	6
B Spinks (Chair from 28 September 2022)	5	6
L Udenwoke (resigned 22 September 2021)	0	0

Conflicts of interest

All Trustees, Members, senior leaders, and staff with budgetary responsibility are required to complete an annual declarations of interest form. The register of interests is maintained throughout the year, and is a standing item on each Board and governing body meeting. Staff are made aware that the purpose of the declarations of interest and the register itself is to ensure that employees and those within the governance structure adhere to the Seven Principles of Public Life, and that we are open and transparent about personal interests and that all decisions are made with good intent and clear information.

Where a conflict might occur it is a procedural requirement that the potential conflict is disclosed and considered by those with responsibility for making decisions in order that the Trustees can act in the Trust's best interests.

Governance reviews

During the 2021/22 financial year Trustees undertook a skills audit to ensure that gaps in skills could be identified and used to support future trustee recruitment. In addition the Trustees undertook the annual review of the scheme of delegation, and reviewed the terms of reference for each of the sub-committees of the Trustee Board. An outcome of the review of the scheme of delegation and the functioning of the board was that a Quality of Education sub committee should be convened and implemented during the 2022/23 financial year. The scheme of delegation, and governance charter, were updated to reflect these changes.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

The Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to ensure that the requirements of the Academy Trust Handbook in relation to robust oversight of the financial aspects of the Trust are fulfilled through receiving regular financial reports, ensuring that bank accounts, financial systems are effectively operating and reviewing budget recommendations. The committee will report to the Trustees, but can refer significant issues directly to Members where Trustees fail to act appropriately.

Attendance during the year at meetings was as follows:

Directors	Meetings attended	Out of a possible
L Cartmell (Chair)	3	3
R Keller	0	3
P Haslett	1	3
R White (co-opted accountant)	2	3
A Chatiza (co-opted accountant)	1	3

The Audit and Risk Committee is also a sub-committee of the main board of Trustees. Its purpose is to ensure that the requirements of the Academy Trust Handbook in relation to risk management and internal scrutiny are fulfilled through establishing a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.

Attendance during the year at meetings was as follows:

Directors	Meetings attended	Out of a possible
C Mulenga (Chair)	3	3
P Saville	3	3
R Dance (co-opted)	1	3

The HR and Remuneration Committee is also a sub-committee of the main board of Trustees. Its purpose is to form the CEO's annual appraisal panel as well as having the delegated authority to approve the proposed pay scales for all staff within the Trust. The Committee monitors the implementation of HR policies and strategies across the Trust and provides support and challenge on HR decisions.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
H Hinchcliffe	3	3
P Saville	3	3
J Herron (co-opted)	1	3
T Inverary (co-opted)	0	0

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Academy 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 Academy'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 appropriate. The accounting officer for the Academy has delivered improved value for money during the year by.
- Reviewing the functions of the Trust and Academies, challenging how and why services are provided, always looking for efficiencies and improvements. Establishing a strategic plan and roadmap to achieve those

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

Review of value for money (continued)

- efficiencies/improvements.
- Consulting with stakeholders prior to any major decisions being made, for example the use of trust wide service level agreements with external providers.
- Working alongside the Chief Operating Officer to review all contracts and ensure best value for money, particularly during the Tendering process or future potential builds.
- Ensuring re-tendering processes are in line with the Academy Trust Handbook
- Seek opportunities for resource management to capitalise on available funding
- Continuous scrutiny by internal and external auditors and other experts the Trust thinks would add value
- The Trust has also employed the services of an external party to look at Fundraising opportunities

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 Learning in Harmony Trust for the period 1st September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ MHA Macintyre Hudson as internal auditor. The Trustees chose to engage an external scrutineer in order to ensure that there was independence, rigour and accountability within the process. The risk register is used as the basis for designing the internal audit programme.

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

- Pupil recruitment and retention
- JFK Aged Debtors

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

- **Treasury Management**

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

The internal scrutiny programme was completed on schedule under each contract, key findings were as follows:

- **JFK Aged Debtors** - Auditor opinion that the Board can take Limited Assurance over the effectiveness of the controls in place to manage the risks associated with this area. Key areas for improvement are:
 - Policies and Procedures - Debtor Policy. The Financial Procedures document needs to be updated to provide a detailed debtor policy.
 - Debtor Management - Providing documentation and a clear audit trail on debtor chasing
 - Segregation of Duties - Provide more detail within the organisational chart and job descriptions who is responsible for what in the debtor collection/management process
- **Treasury Management** - Auditor opinion that the Board can take Adequate Assurance over the effectiveness of the controls in place to manage the risks associated with this area. Key areas for improvement are:
 - Treasury Management Policy - Include a Treasury Management Policy within the Financial Procedures or as a separate policy
 - Level of Cash Reserves - Provide further detail as to the reason why the Trust is holding the reserves it has over and above the Reserves Policy.
- **Pupil Recruitment** - Auditor opinion that the board can take limited assurances from the internal controls. Key areas for improvement are:
 - Development of a pupil recruitment strategy to identify the key actions and scheduled events to ensure that the Trust maximises pupil numbers on roll into reception year groups

In addition, throughout the year the internal scrutiny programme of work that was reported to the committee included the annual General Data Protection Audit - adequate reassurance and the Health and Safety audit reports undertaken by the external competent person service.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2022 and signed on their behalf by:

Ben Spinks

B Spinks
Chair of Trustees

Gary Wilkie

G Wilkie
Accounting Officer

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Learning in Harmony Multi Academy Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2021.

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.

Gary Wilkie

G Wilkie
Accounting Officer
Date: 7 December 2022

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2022 and signed on its behalf by:

Ben Spinks

B Spinks
Chair of Trustees

Gary Wilkie

G Wilkie
Accounting officer

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Learning in Harmony Multi Academy Trust

Opinion

We have audited the financial statements of Learning in Harmony Multi Academy Trust (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Learning in Harmony Multi Academy Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Learning in Harmony Multi Academy Trust (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation, and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and non-compliance with financial management and governance requirements which are consistent with the obligations of public funded bodies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures with automated data analytics to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Learning in Harmony Multi Academy Trust (continued)

- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Learning in Harmony Multi Academy Trust (continued)

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

16 December 2022

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Learning in Harmony Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 year 1 September 2021 to 31 August 2022 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 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Academy Trust's income and expenditure.

The work undertaken to draw to our conclusions includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the Funding Agreement
- Reviewed grants have been applied for the purposes intended.
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed Board of Trustee minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Learning in Harmony Multi Academy Trust and the Education & Skills Funding Agency (continued)

- Considered if borrowing agreements, including leases, have been made in accordance with the Academy Trust Handbook 2021
- Considered if the Trust's governance arrangements and composition comply with the Academy Trust Handbook 2021
- Confirmed procurement and tendering procedures exist relating to expenditure and have been complied with

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LLP

Reporting Accountant
Kreston Reeves LLP
Chartered Accountants

Date: 16 December 2022

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:						
Donations and capital grants:	4					
Transfer from local authority on conversion		736	(862)	5,010	4,884	-
Other donations and capital grants		-	41	966	1,007	1,214
Other trading activities	6	2,480	-	-	2,480	2,593
Investments	7	1	-	-	1	1
Charitable activities	5	-	41,338	-	41,338	40,244
Total income		3,217	40,517	5,976	49,710	44,052
Expenditure on:						
Charitable activities	8,9	797	45,870	2,230	48,898	47,190
Total expenditure		797	45,870	2,230	48,897	47,190
Net income/(expenditure)		2,420	(5,353)	3,746	813	(3,138)
Transfers between funds	18	(2,659)	1,259	1,400	-	-
Net movement in funds before other recognised gains/(losses)		(239)	(4,094)	5,146	813	(3,138)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	24,345	-	24,345	(2,848)
Net movement in funds		(239)	20,251	5,146	25,158	(5,986)
Reconciliation of funds:						
Total funds brought forward		2,923	(25,697)	91,134	68,360	74,346
Net movement in funds		(239)	20,251	5,146	25,158	(5,986)
Total funds carried forward		2,684	(5,446)	96,280	93,518	68,360

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 63 form part of these financial statements.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)
Registered number: 09148738

Balance sheet
As at 31 August 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	94,787	90,567
		<u>94,787</u>	<u>90,567</u>
Current assets			
Debtors	16	1,201	2,098
Cash at bank and in hand		6,545	5,086
		<u>7,746</u>	<u>7,184</u>
Creditors: amounts falling due within one year	17	(3,569)	(3,694)
Net current assets		<u>4,177</u>	<u>3,490</u>
Total assets less current liabilities		<u>98,964</u>	<u>94,057</u>
Net assets excluding pension liability		<u>98,964</u>	<u>94,057</u>
Defined benefit pension scheme liability	25	(5,446)	(25,697)
Total net assets		<u><u>93,518</u></u>	<u><u>68,360</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	96,280	91,134
Restricted funds excluding pension asset	18	96,280	91,134
Pension reserve	18	(5,446)	(25,697)
Total restricted funds	18	<u>90,834</u>	<u>65,437</u>
Unrestricted income funds	18	<u>2,684</u>	<u>2,923</u>
Total funds		<u><u>93,518</u></u>	<u><u>68,360</u></u>

The financial statements on pages 31 to 63 were approved by the Trustees, and authorised for issue on 07 December 2022 and are signed on their behalf, by:

Ben Spinks

B Spinks
Chair of Trustees

Gary Wilkie

G Wilkie
Accounting Officer

The notes on pages 34 to 63 form part of these financial statements.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	935	311
Cash flows from investing activities	21	524	611
Change in cash and cash equivalents in the year		1,459	922
Cash and cash equivalents at the beginning of the year		5,086	4,164
Cash and cash equivalents at the end of the year	22, 23	6,545	5,086

The notes on pages 34 to 63 form part of these financial statements

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

1. General information

Learning In Harmony Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Hartley Primary School, Hartley Avenue, London, E6 1NT. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Learning in Harmony Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are rounded to the nearest thousand.

The functional currency represented in the financial statements are in GBP.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All incoming resources are recognised when the Academy 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.3 Income (continued)

amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

2.8 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold property	- Buildings 50 years, Land Nil
Furniture and equipment	- 3 Years
Computer 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.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.11 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 as detailed in note 17. 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.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

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

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.14 Pensions (continued)

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2.15 Conversion to an academy trust

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Edwards Hall Primary to the Academy 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 Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

2.16 Agency arrangements

Where the Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 30.

2.17 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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.

Multi-employer benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2021 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £94,787k at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trusts' forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

3. Critical accounting estimates and areas of judgment (continued)

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 25 for further details.

4. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Transfer from local authority on conversion	736	(862)	5,010	4,884	-
Donations	-	41	-	41	26
Capital grants	-	-	966	966	1,123
Donated assets	-	-	-	-	65
	<u>736</u>	<u>(821)</u>	<u>5,976</u>	<u>5,891</u>	<u>1,214</u>
Total 2021	<u>-</u>	<u>26</u>	<u>1,188</u>	<u>1,214</u>	

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

5. Funding for the academy trust's educational operations

	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants			
General annual grant (GAG)	28,841	28,841	27,759
Other DfE/ESFA grants			
Pupil Premium	2,329	2,329	2,063
UIFSM	535	535	764
Other ESFA/DfE grants	1,417	1,417	396
	33,122	33,122	30,982
Other Government grants			
Local authority grants	8,216	8,216	8,834
	8,216	8,216	8,834
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	428
	-	-	428
	41,338	41,338	40,244
	41,338	41,338	40,244
Total 2021	40,244	40,244	

In the year to 31 August 2021, Teachers pay and Teachers' pension grants were presented separately in the financial statements. Following a change to the structure of DfE/ESFA funding in the current year, these two grants are now included as part of the General annual grant and are no longer separately identifiable. Therefore the prior year's Teachers pay and Teachers pension grant (£1,034K) have been amalgamated with the General annual grant (£27,759k), for comparative purposes.

The Trust received £Nil (2021: £428K) of funding for catch-up premium and costs incurred in respect of this funding totalled £Nil (2021: £428K).

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

6. Income from other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	149	-	149	66
Catering income	197	-	197	129
Other trading income	2,134	-	2,134	2,398
	<u>2,480</u>	<u>-</u>	<u>2,480</u>	<u>2,593</u>
Total 2021	<u>2,549</u>	<u>44</u>	<u>2,593</u>	

7. Investment income

	Total funds 2022 £000	Total funds 2021 £000
Interest received	<u>1</u>	<u>1</u>

8. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Educational operations					
Direct costs	30,004	-	1,763	31,767	31,240
Support costs	8,451	3,799	4,881	17,131	15,950
	<u>38,455</u>	<u>3,799</u>	<u>6,644</u>	<u>48,898</u>	<u>47,190</u>
Total 2021	<u>36,685</u>	<u>4,655</u>	<u>5,850</u>	<u>47,190</u>	

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

9. Analysis of expenditure by activities

	Direct costs	Support	Total	Total
	2022	costs	funds	funds
	£000	2022	2022	2021
		£000	£000	£000
Educational operations	31,767	17,131	48,898	47,190
	<u>31,767</u>	<u>17,131</u>	<u>48,898</u>	<u>47,190</u>
Total 2021	31,240	15,950	47,190	
	<u>31,240</u>	<u>15,950</u>	<u>47,190</u>	

Analysis of direct costs

	2022	Total	Total
	£000	funds	funds
		2022	2021
		£000	£000
Staff costs	29,771	29,771	28,329
Depreciation	-	-	1,163
Travel costs	114	114	3
Educational supplies	845	845	743
Educational equipment	31	31	206
Educational consultancy	773	773	677
Staff development	233	233	119
	<u>31,767</u>	<u>31,767</u>	<u>31,240</u>
	<u>31,767</u>	<u>31,767</u>	<u>31,240</u>
Total 2021	31,240	31,240	
	<u>31,240</u>	<u>31,240</u>	

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	2022	Total	Total
	£000	funds	funds
		2022	2021
		£000	£000
LGPS pension costs	423	423	323
Staff costs	8,451	8,451	8,188
Depreciation	1,968	1,968	860
Repairs and maintenance	569	569	1,158
Cleaning costs	1,344	1,344	1,328
Light, heat and rates	990	990	649
Insurance costs	132	132	359
General office costs	111	111	213
ICT costs	399	399	496
Other staff costs	226	226	170
Professional fees	627	627	604
Catering costs	1,649	1,649	1,411
Other support costs	105	105	65
Governance costs	137	137	126
	17,131	17,131	15,950
	15,950	15,950	
Total 2021			

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£000	£000
Operating lease rentals	92	83
Depreciation of tangible fixed assets	1,969	2,082
Fees paid to auditor for:		
- audit	23	23
- other services	4	9

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£000	£000
Wages and salaries	24,832	23,922
Social security costs	2,398	2,271
Pension costs	7,838	7,193
	35,068	33,386
Agency staff costs	2,930	2,737
Staff restructuring costs	224	393
Staff development	233	169
	38,455	36,685

Staff restructuring costs comprise:

	2022	2021
	£000	£000
Redundancy payments	154	367
Severance payments	70	26
	224	393

b. Severance payments

The Academy paid 3 severance payments in the year (2021 - 1), disclosed in the following bands:

	2022	2021
	No.	No.
£0 - £25,000	2	-
£25,001 - £50,000	1	1

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £70k (2021: £26k). This comprised of three payments of £50k, £3k and £17k.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

11. Staff (continued)

d. Staff numbers

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

	2022 No.	2021 No.
Teachers	341	331
Admin and Support	670	647
Management	49	42
	<u>1,060</u>	<u>1,020</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	311	315
Admin and support	363	365
Management	48	42
	<u>722</u>	<u>722</u>

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	21	13
In the band £70,001 - £80,000	12	9
In the band £80,001 - £90,000	3	6
In the band £90,001 - £100,000	3	2
In the band £100,001 - £110,000	3	3
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
	<u>1</u>	<u>-</u>

f. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £747k (2021 - £798k).

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

12. Central services

The Academy 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 systems management costs
- Insurances apart from minibuss 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

The Academy charges for these services on the following basis:

7.0% (2021: 7.0%) of pupil funded income.

The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
Temple Sutton Primary School	258	266
New North Academy	135	147
Hartley Primary School	307	338
Upton Cross Primary	356	372
John F Kennedy School	443	422
Sheringham Primary School	288	291
Blenheim Primary School	217	207
Drew Primary School	213	213
Greenways Primary School	293	288
Edwards Hall Primary	87	-
Total	2,597	2,544

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£000	£000
G Wilkie, Accounting Officer	Remuneration	150 - 155	145 - 150
	Pension contributions paid	20 - 25	35 - 40

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

14. Trustees' and Officers' insurance

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

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

15. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2021	95,030	2,344	820	98,194
Additions	-	1,030	149	1,179
Transfer from local authority on conversion	4,936	30	44	5,010
At 31 August 2022	99,966	3,404	1,013	104,383
Depreciation				
At 1 September 2021	5,559	1,341	727	7,627
Charge for the year	1,187	679	103	1,969
At 31 August 2022	6,746	2,020	830	9,596
Net book value				
At 31 August 2022	93,220	1,384	183	94,787
At 31 August 2021	89,471	1,003	93	90,567

Included in land and buildings is land valued at £38,638k (2021: £38,638k)

16. Debtors

	2022 £000	2021 £000
Due within one year		
Trade debtors	168	836
Other debtors	172	326
Prepayments and accrued income	861	936
	1,201	2,098

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

17. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	1,251	996
Other taxation and social security	599	571
Other creditors	582	577
Accruals and deferred income	1,137	1,550
	3,569	3,694
	2022	2021
	£000	£000
Deferred income at 1 September 2021	1,031	1,134
Resources deferred during the year	472	1,031
Amounts released from previous periods	(1,031)	(1,134)
	472	1,031

At the balance sheet date the trust was holding funds for UIFSM, High Needs and Early Years.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

18. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	2,923	2,481	(797)	(1,923)	-	2,684
Transfer from local authority on conversion	-	736	-	(736)	-	-
	<u>2,923</u>	<u>3,217</u>	<u>(797)</u>	<u>(2,659)</u>	<u>-</u>	<u>2,684</u>
Restricted funds						
General Annual Grant (GAG)	-	28,841	(30,100)	1,259	-	-
Pupil Premium	-	2,329	(2,329)	-	-	-
Other DfE/ESFA grants	-	1,952	(1,952)	-	-	-
Other government grants	-	8,216	(8,216)	-	-	-
Other income	-	41	(41)	-	-	-
Transfer from local authority on conversion	-	(862)	-	862	-	-
Pension reserve	(25,697)	-	(3,232)	(862)	24,345	(5,446)
	<u>(25,697)</u>	<u>40,517</u>	<u>(45,870)</u>	<u>1,259</u>	<u>24,345</u>	<u>(5,446)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	90,567	-	(1,969)	6,189	-	94,787
ESFA/DfE capital grants	567	966	(261)	221	-	1,493
Transfer from local authority on conversion	-	5,010	-	(5,010)	-	-
	<u>91,134</u>	<u>5,976</u>	<u>(2,230)</u>	<u>1,400</u>	<u>-</u>	<u>96,280</u>
Total Restricted funds	<u>65,437</u>	<u>46,493</u>	<u>(48,100)</u>	<u>2,659</u>	<u>24,345</u>	<u>90,834</u>

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

18. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Total funds	68,360	49,710	(48,897)	-	24,345	93,518

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Pupil premium funding is provided in order to be used to support disadvantaged pupils and to assist them in decreasing the attainment gap between those pupils and their peers.

UIFSM supports schools in delivering the legal requirement to offer free school meals to all reception, year 1 and year 2 pupils.

The catch-up premium is a one-off grant for the 2020/21 academic year to support children and young people to catch up lost time after school closure, with allocations calculated on a per pupil basis, using census data, in line with the general annual grant (GAG).

Teachers' pay and pension grants are to provide support to schools in respect of the teachers' pay awards.

Other DfE/ESFA grants represents grants provided for specific purposes, such as rates relief and PE and sports premium is funding to make additional and sustainable improvements to the quality of the PE, physical activity and sport schools provide.

Other government grants represent those grants provided for specific purposes to provide additional support to the pupils where required.

The Restricted Fixed Asset Fund represents the net book value of tangible fixed assets. Transfers within this section were made to ensure the analysis correctly reflected tangible fixed assets and capital grants available to spend.

The DfE/ESFA capital grants fund is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

18. Statement of funds (continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	2,627	2,549	(711)	(1,542)	-	2,923
Restricted general funds						
General Annual Grant (GAG)	-	26,725	(28,080)	1,355	-	-
Pupil Premium	-	2,063	(2,063)	-	-	-
UIFSM	-	764	(764)	-	-	-
Teachers pay and pension grant	-	1,160	(1,160)	-	-	-
Other DfE/ESFA grants	-	279	(279)	-	-	-
Other government grants	-	8,825	(8,825)	-	-	-
COVID-19 Catch up	-	428	(428)	-	-	-
Other income	-	70	(70)	-	-	-
Pension reserve	(20,358)	-	(2,491)	-	(2,848)	(25,697)
	(20,358)	40,314	(44,160)	1,355	(2,848)	(25,697)
Restricted fixed asset funds						
Restricted fixed asset fund	92,077	-	(2,023)	513	-	90,567
ESFA/DfE capital grants	-	1,123	(230)	(326)	-	567
Transfer from local authority on conversion	-	65	(65)	-	-	-
	92,077	1,188	(2,318)	187	-	91,134
Total Restricted funds	71,719	41,502	(46,478)	1,542	(2,848)	65,437

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

18. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Total funds	74,346	44,051	(47,189)	-	(2,848)	68,360

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Temple Sutton Primary School	1	1
New North Academy	1	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	2,675	2,914
Total before fixed asset funds and pension reserve	2,684	2,923
Restricted fixed asset fund	96,280	91,134
Pension reserve	(5,446)	(25,697)
Total	93,518	68,360

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Temple Sutton Primary School	3,353	482	103	421	4,359	4,534
New North Academy	1,651	348	47	394	2,440	2,709
Hartley Primary School	3,559	318	107	800	4,784	5,050
Upton Cross Primary	3,782	417	165	833	5,197	5,420
John F Kennedy School	4,060	1,381	48	893	6,382	6,040
Sheringham Primary School	3,223	348	90	718	4,379	4,561
Blenheim Primary School	2,646	317	45	621	3,629	3,447
Drew Primary School	2,284	278	149	460	3,171	3,162
Greenways Primary School	3,523	683	182	573	4,961	4,615
Edwards Hall Primary	968	149	49	221	1,387	-
Learning in Harmony	568	4,025	3	1,644	6,240	5,629
Academy	29,617	8,746	988	7,578	46,929	45,167

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	94,787	94,787
Current assets	2,684	3,569	1,493	7,746
Creditors due within one year	-	(3,569)	-	(3,569)
Provisions for liabilities and charges	-	(5,446)	-	(5,446)
Total	2,684	(5,446)	96,280	93,518

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	90,567	90,567
Current assets	2,923	3,694	567	7,184
Creditors due within one year	-	(3,694)	-	(3,694)
Provisions for liabilities and charges	-	(25,697)	-	(25,697)
Total	2,923	(25,697)	91,134	68,360

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £000	2021 £000
Net income/(expenditure) for the year (as per Statement of financial activities)	813	(3,138)
Adjustments for:		
Depreciation	1,969	2,023
Capital grants from DfE and other capital income	(966)	(1,123)
Interest receivable	(1)	(1)
Transfer from local authority on conversion	(4,884)	-
Defined benefit pension scheme cost less contributions payable	2,808	2,168
Defined benefit pension scheme finance cost	423	323
Decrease in debtors	878	448
Decrease in creditors	(105)	(389)
Net cash provided by operating activities	935	311

21. Cash flows from investing activities

	2022 £000	2021 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(1,179)	(513)
Capital grants from DfE Group	966	1,123
Cash transferred from local authority on conversion	736	-
Net cash provided by investing activities	524	611

22. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	6,545	5,086
Total cash and cash equivalents	6,545	5,086

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

23. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	5,086	1,459	6,545
	<u>5,086</u>	<u>1,459</u>	<u>6,545</u>

24. Conversion to an academy trust

On 01 December 2021 Edwards Hall Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learning in Harmony Multi Academy Trust from Essex County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Land and buildings	-	-	4,936	4,936
Other tangible fixed assets	-	-	74	74
Current assets				
Cash - representing budget surplus on LA funds	736	-	-	736
LGPS Pension	-	(862)	-	(862)
Net assets/(liabilities)	<u>736</u>	<u>(862)</u>	<u>5,010</u>	<u>4,884</u>

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

25. Pension commitments

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

As described in note 24, the LGPS obligation on conversion to an academy trust relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/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.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £577k were payable to the schemes at 31 August 2022 (2021 - £572k) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £3,216k (2021 - £3,249k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £2,234k (2021 - £2,330k), of which employer's contributions totalled £1,733k (2021 - £1,844k) and 'employees' contributions totalled £ 461k (2021 - £486k). The agreed contribution rates for future years are 20.5 to 25% per cent for employers and 5.5 to 12.5% per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy 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.

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.99	3.9
Rate of increase for pensions in payment/inflation	2.80	2.8
Discount rate for scheme liabilities	4.26	1.7
Inflation assumption (CPI)	2.91	2.8

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

	2022 Years	2021 Years
Retiring today		
Males	21.4	21.7
Females	23.9	24.0
Retiring in 20 years		
Males	22.7	23.2
Females	25.4	25.6

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

25. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(670)	(1,158)
Discount rate -0.1%	694	1,191
Mortality assumption - 1 year increase	735	1,762
Mortality assumption - 1 year decrease	(821)	(1,692)
CPI rate +0.1%	661	1,095
CPI rate -0.1%	(643)	(1,066)
Salary rate +0.1%	42	91
Salary rate -0.1%	(42)	(91)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31	At 31 August
	August 2022	2021
	£000	£000
Equities	11,667	10,967
Other bonds	547	1,448
Cash	961	692
Property	2,687	1,569
Alternative assets	2,664	2,170
Other assets	1,074	835
Other managed funds	994	-
Total market value of assets	20,594	17,681

The actual return on scheme assets was £384,000 (2021 - £2,483,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£000	£000
Current service cost	4,568	4,000
Interest income	(319)	(237)
Interest cost	742	560
Administrative expenses	14	12
Total amount recognised in the Statement of financial activities	5,005	4,335

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

25. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2022 £000	2021 £000
At 1 September	43,378	33,613
Conversion of academy trusts	1,569	-
Current service cost	4,538	4,000
Interest cost	742	560
Employee contributions	461	486
Actuarial (gains)/losses	(24,280)	5,094
Benefits paid	(398)	(375)
Past service costs	30	-
At 31 August	26,040	43,378

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £000	2021 £000
At 1 September	17,681	13,255
Conversion of academy trusts	707	-
Interest income	319	237
Actuarial gains	65	2,246
Employer contributions	1,773	1,844
Employee contributions	461	486
Benefits paid	(398)	(375)
Administration expenses	(14)	(12)
At 31 August	20,594	17,681

26. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Not later than 1 year	66	78
Later than 1 year and not later than 5 years	86	71
	152	149

Learning in Harmony Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

27. 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 year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

29. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £23k (2021: £4.8k) and disbursed £23k (2021: £1.3k) from the fund.