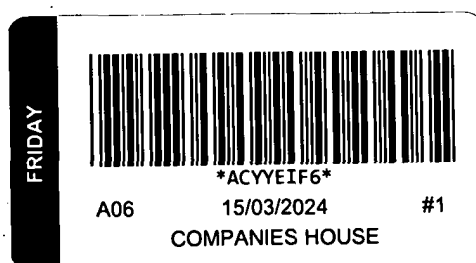


Company Registration Number: 09148738 (England & Wales)

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

Annual report and financial statements

For the year ended 31 August 2023



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

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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 | H Hinchliffe G Wilkie, Accounting Officer B Spinks, Chair of Trustees P Haslett (resigned 11 October 2023) L Cartmell C Mulenga P Saville (resigned 12 December 2023) G Kader (appointed 28 September 2022) D Morrow (appointed 7 December 2022) P Swain (appointed 7 December 2022) M Habbas (appointed 23 November 2023) |
| 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 D Woollard, Deputy Chief Executive Officer J Naish, Chief Operating Officer A Eastwood, Trust Executive Headteacher E Gleeson, Trust Executive Headteacher J Johnson, 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 2023

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 Sharp
T Goodrich
J Johnson

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

Trustees' report
For the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Principal activities

The principal 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 2022 to 31 August 2023 the Trust operated 10 academies based in the London Borough of Newham, the City of Southend-on-Sea and the London Borough of Islington. The Connaught Special School was officially opened on 1st September 2023 in the new financial year.

In the census taken on 7th October 2023 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 182
- Sheringham Primary School, for pupils aged 4 to 11. A pupil capacity of 690 and had a roll of 608.
- Upton Cross Primary School, for pupils aged 3 to 11. A pupil capacity of 1200, and had a roll of 637.
- Hartley Primary School, for pupils aged 3 to 11. A pupil capacity of 960 and had a roll of 648.
- Drew Primary school, for pupils aged 4 to 11. A pupil capacity of 480 and a roll of 390.
- Connaught Special School, for pupils aged 4 to 19. A pupil capacity of 26 and a roll of 6. This school opened on 1st September 2023.

Borough of Southend on Sea:

- Blenheim Primary School, for pupils aged 3 to 11. A pupil capacity of 676 and a roll of 630.
- Edwards Hall Primary School, for pupils aged 4 to 11. A pupil capacity of 420 and a roll of 409.
- Greenways Primary School for pupils aged 4 to 11. A capacity of 960 and a roll of 884.
- Temple Sutton School, for pupils ages 3 to 11. A pupil capacity of 898 and a roll of 625.

London Borough of Islington:

- The New North Academy, for pupils aged 3 to 11. A pupil capacity of 315 and a roll of 204

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 2023

Structure, governance and management

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 Trustees of Learning in Harmony Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Learning in Harmony.

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

The Learning in Harmony Multi Academy Trust was incorporated on 28 July 2014 and obtained Academy status for J F Kennedy School and Sheringham Primary School from 1 September 2014, Upton Cross Primary School from 1 September 2015, Hartley Primary School from the 1 April 2016, Drew Primary School on 1 January 2017, Blenheim on 1 September 2016 and Greenways Primary School on 1 October 2016. Temple Sutton Primary School joined the Trust on 1 September 2018, 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.

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.

*As required in the Academy Trust's funding agreement/memorandum and articles of association.

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 2023

Structure, governance and management (continued)

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 2023 there were 5 members appointed under article 15A.

The Articles of Association of the Trust were last renewed on 2 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.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the period under review the Directors held 5 meetings, and one Directors was appointed by the Members during the year, with a further two being co-opted by Directors.

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 2023

Structure, governance and management (continued)

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 Organisational Development Committees. The levels of delegation are set out in the Board's Scheme of Delegation. The scheme of delegation was revised and adopted in July 2021, it has been reviewed annually since then.

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 and Audit Committee and Finance Committee 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 2022-2023 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 committees report to the Trustees, but can refer significant issues directly to Members where Trustees fail to act appropriately.

The HR and Organisational Development 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, Deputy CEO and a Chief Operating Officer, three Executive Head Teachers
- Tier 3: HR Director, Finance Director, Head of IT, Premises and Compliance Manager.
- Business support function staff: Three HR Officers and a HR assistant, an ICT Operations Manager, three management accountants, two senior finance officers, 5 finance administrators, a Media and Communications Officer, a Trust Premises and Health & Safety Manager and a Trust Administration Officer.
- School improvement Team; the purpose of which is to provide domain specific expertise in areas such as curriculum, pedagogy, SEND and leadership.

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

Trustees' report (continued)
For the year ended 31 August 2023

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 systems
- Governance responsibilities at school level

Central Funding was also targeted at strategic activity:

- Centralisation of finance transactional processing and management accounts, deploying new financial software systems across the Trust.
- School and organisational improvement
- Curriculum development

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

Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

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 & Organisational Development 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 lead 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 approve 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 Organisational Development for consideration.

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

Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

| | |
|---|---|
| Number of employees who were relevant union officials during the year | 1 |
| Full-time equivalent employee number | 1 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | £ | |
|---|------------|---|
| Total cost of facility time | 38,910 | |
| Total pay bill | 33,537,946 | |
| 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 | 1,714 | % |
|---|-------|---|

Related parties and other connected charities and organisations

Learning in Harmony Trust does not have any reportable related parties or connected charities and organisations.

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 2022/23 staff were consulted on the CPD offering and a survey was undertaken to benchmark satisfaction with CPD offered to staff. This will be continued during 2023/24 as the Trust rolls out the Steplab training programme. 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.

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.

The trust was a founder signatory of the DfE Staff Wellbeing Charter.

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

Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

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

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.

Objectives and activities

Objects and aims

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. This does not mean that all schools in our Trust have to be the same; we are proud to have both similarities and differences, and we see this diversity and each school's unique characteristics as a strength. We are, however, bound together by our belief that, by working in partnership as one organisation, we can make a significant difference to the children and young people in our schools. We are committed to identifying and sharing good practice and being guided by research, to improve provision for all, and see ourselves as mutually accountable for each other's schools. This means that we show a genuine commitment to supporting and challenging each other.

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.

We Encourage Innovation

- Our approach to professional development is bespoke and enabling, and there are many opportunities to

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

Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

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.

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 practise reading aloud to gain confidence.

Strategic report

The four key areas of focus for the academic year 2022-2023 identified by trustees and Trust Leadership Group were:

- To ensure that the Quality of Education continues to be at least good in all schools.
- To ensure that the provision for SEND pupils and vulnerable pupils (both current and planned new provisions) is of high quality.
- To ensure the Trust continues to thrive during a period of financial challenge.
- To ensure that quality leadership is in a place that is sustainable, affordable and effective.

These priorities were determined by analysis of the MAT Assurance Framework, national priorities for education and other changes, such as the introduction of new National Professional Qualifications (NPQs). In addition, areas had been identified for action through our School Improvement Cycle, part of a wider strategy for school improvement.

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

Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

Achievements and Performance

Quality of Education

The Quality of Education in all of our schools is good or better, with 80% having been inspected on the current Ofsted framework.

As a Trust, we have worked collaboratively on an approach to the curriculum which is broadly aligned to the National Curriculum, ensuring that learning is ambitious for all, well-sequenced and coherent, and that decisions about design and content are based on an understanding of cognitive science. This has not been about delivering the same curriculum in every school; the schools in our Trust are unique and whilst there is alignment in mission, vision and values, the curriculum offer needs to respond to each school's individual context. The process that schools have been through in designing their curriculum and that which they continue to reflect on, is however, more consistent. Our curriculum leaders have learnt about habits of effective curriculum design, and this begins with schools identifying the purpose of education for their school, setting clear visions for their subjects, defining the key concepts that will be the golden threads for their curriculum and setting challenging end points. Our subject network groups have formed and developed over this year to collaborate on these things and create a supportive culture, which enables them to learn together, share ideas and ultimately, improve the quality of education in their own schools. A similar approach is used in our special schools and specialist provisions, but learning in these contexts is highly personalised and dependent on priorities in the student's EHCP and based on an ongoing assessment of their needs.

In addition to this focus on curriculum development, we have enabled the deployment of a centralised School Improvement Team with domain specific expertise in areas such as pedagogy, curriculum, assessment and SEND. This team provides training, builds additional capacity in schools which supports their continued improvement, and provides an outreach offer to partner organisations. To enhance our approach to improving every teacher in every classroom, we have invested time and resources into utilising Steplab as a tool for incremental coaching, with further work planned on its implementation in 23/24.

Provision for SEND pupils

Provision for SEND pupils continues to be a strength across the Learning in Harmony Trust: the JFK Special School was reinspected in November 2022 and continues to be recognised as an outstanding provision; we opened ours and Southend's third primary Autism Resource Base at Greenways Primary School; and opened the Connaught Special School and centre of excellence.

To ensure that our provision continues to improve, the Trust implemented year one of a two-year SEND audit process, collaborating with the Eastern SEND Partnership; the findings of the initial audits were triangulated with the Quality of Education audit process. This significant area of our work is ensuring that the learning and engagement of all young people on the SEND register is improving because of the leadership and development of SEND in all schools. It has been enhanced by researching and delivering training on the Bexley Toolkit across all schools, which provides support, guidance and practical suggestions for teachers, enabling them to better meet the needs of their pupils through quality first teaching.

Thriving during a period of financial challenge

Through careful management of budgets throughout the 2022/23 financial year, the Trust has managed to mitigate the additional costs of the teaching staff pay award, costs which were not known at the time the 2022/23 budget was set. This has been largely achieved through a voluntary severance scheme, which has enabled schools to review structures, with staff approaching school leaders on a voluntary basis; this has enabled the trust to plan workforce structures that meet the needs of a falling pupil rolls locally and nationally.

A key project for the 2022/23 financial year has been the centralisation of finance, including transactional and management accounting, as well as the deployment of three new financial systems, providing greater consistency and control within the financial arena.

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

Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

Quality Leadership

High quality training and development structures are in place to provide leaders with the skills, knowledge and expertise that the Trust requires now and in the future.

There is a commitment to coaching within the Trust and we have continued to provide opportunities for leaders to engage with an external coach; all Executive Leaders, Head Teachers and Heads of School have received regular coaching throughout the academic year. In addition, members of the Trust Leadership Group provide regular coaching and mentoring to heads through our approach to supporting all schools with a linked member of the executive team.

Leaders at all levels, from aspiring leaders to Executive Head Teachers have had the opportunity to take part in a structured coaching conversation based around the trust's leadership competences. All members of senior leadership teams in schools and central team leaders have also taken part in Action Learning Sets- facilitated discussion to support their leadership development. Over the course of this year we have established our own development programme for new Assistant and Deputy Head Teachers, and a total of 38 leaders have participated in the new suite of NPQs.

A cohort of aspiring SENCOs have completed the National Award for SEN Coordinators (NASENCO) increasing capacity across the trust in SEND leadership.

We are committed to creating a leadership pathway for all staff; for our teachers this begins with an excellent ECT programme in partnership with Ambition Institute, and from September 2024 we will be a lead partner for Ambition's ITT provision, enabling us to support teachers from the very start of their career in the classroom.

Operational effectiveness

During the financial year, the Trust delivered a project to centralise finance transaction processing and to centrally provide financial support to all schools within the Trust. The project included delivering three new financial systems that utilise automation and machine learning to increase the efficiency of transactional processing. Building efficiency and safety was also an area of enhanced focus during the financial year, with full surveys undertaken of all trust buildings to identify energy efficiency projects and fire compartmentalisation surveys undertaken to clarify the scope of activities for fire door remedial works.

Learning in Harmony Multi Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2023

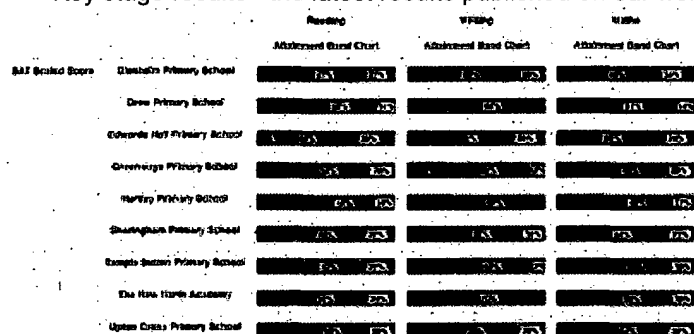
(continued)

Key Financial 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 areas 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
- Number of students per teacher
- Debtors % over 60 days

Going concern

After making appropriate enquiries, the board of Trustees agreed on 27 September 2023 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.

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

Trustees' report (continued)
For the year ended 31 August 2023

(continued)

Promoting success of the company

A key focus of the Trustee Board during the 2022/2023 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 Trust Leadership Group members to attend Trustee Board meetings in order to understand and reassure themselves of the work of the Trust. As an example of this commitment to accountability the board of Trustees established a new Quality of Education committee at the start of the academic year, the committee has rigorously scrutinised the Trust's school improvement strategy and framework.

Trustees actively attended governing body meetings and participated in a visioning workshop in July 2023 as part of the vision and values refresh working being undertaken across the 2022/23 and 2023/24 academic years.

Trustees received regular progress reports during the year, in particular relating to the proposed opening of the Connaught Special Free School in Newham; and in relation to potential opportunities for growth.

Three new Trustees were appointed during the financial year; 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 2023 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 2023, total expenditure of £49,397k (2022: 48,897k) 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 £488k (2022: 239k). At 31 August 2023 the net book value of fixed assets was £93,141k (2022: £94,787k). Movements in tangible fixed assets are shown in note 15 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 £614k (2022: £5,446k) on 31 August 2023.

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

Trustees' report (continued)
For the year ended 31 August 2023

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 determined that the appropriate level of free reserves in 2022/23 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 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 £2,649k (2022:£2,684k) (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.

Principal risks and uncertainties

One of the main financial risks that the Learning in Harmony Multi Academy Trust has always had exposure to, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant, 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 £614k (2022: £5,446k)
- Rising inflation, utilities costs and teaching and support staff pay awards
- Estates management: namely managing the Blenheim Primary School Estate whilst waiting for the school to be redeveloped under the School Rebuilding Programme (phase 3)

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.

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

Trustees' report (continued)
For the year ended 31 August 2023

Fundraising

The Trust's strength and capacity means that it is in a strong position for growth. This may include opportunities to grow from the DfE, through partnerships with other single or multi-academy trusts, or through converter academies. There are also opportunities for outreach work across the sector.

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

Streamlined energy and carbon reporting

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

| | 2023 | 2022 |
|---|--------------|--------------|
| Energy consumption used to calculate emissions (kWh) | 5,794,711 | 8,237,604 |
| Scope 1 emissions (in tonnes of CO2 equivalent): | | |
| Gas consumption | 768 | 1,014 |
| Owned transport | 5 | 1 |
| Total scope 1 | 773 | 1,015 |
| Scope 2 emissions (in tonnes of CO2 equivalent): | | |
| Purchased electricity | 377 | 635 |
| Total gross emissions (in tonnes of CO2 equivalent): | 1,150 | 1,650 |
| Intensity ratio: | | |
| Tonnes of CO2 equivalent per pupil | 0 | 0.03 |

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

LED Lighting, Solar panels, increased video conferencing reducing staff travel, upgraded boilers plants, installing smart meters, Review of BMS systems programmes, using cloud computing where possible to reduce the use of local servers

Learning in Harmony Multi Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2023

Plans for future periods

The Trustees have endorsed the Trust Improvement Plan 2023/24 which sets out the key priority areas as follows:

Consolidation and completion phase

Ensure that our key ongoing initiatives are successfully and sustainably implemented;

- The Opening of Connaught Special School
- The expansion of JFK Special School
- The Centralisation of Financial Processes
- Our role as an ITT partner for Ambition Institute
- Barons Court Conversion
- The partnership with The Safeguarding Group to ensure safeguarding across the trust is exemplary

Transformational Change Phase

Whilst safeguarding the Trust's financial viability, ensure that the allocation and targeting of resources matches the values of the trust by refining and enhancing our financial and budgetary systems & mechanisms.

- Developing and implementing a route map to GAG Pooling
- Ensuring our 0-5 provisions are financially sustainable
- Maximising the opportunities of pooled procurement
- Improving the consistency and efficiency of our catering and cleaning provision
- Considering how centralising employment costs might support the delivery of our trust values

Ensure that the trust is in a strong position for growth - particularly where there are opportunities to enhance expertise in SEND, leadership/school development: or to impact where it is most needed.

- Refreshing the clarity of our shared vision, mission and values.
- Ensuring that our Due Diligence Process regarding new opportunities is as effective as possible
- Improving available management information by implementing the Arbor MIS.
- Improving the quality of both our internal and external communications systems and processes.
- Developing and implementing a clear trading strategy
- Enhancing the quality and depth of the available specialist expertise available for our schools

Improve the Quality of Education in our schools by implementing the Trust School Improvement Strategy, fully utilising the School Improvement Team to drive the trust wide initiatives contained within it.

- Embedding the review and evaluation cycle developed in 22/23.
- Rolling out Incremental Coaching, by maximising the use of Steplab, across the trust
- Implementing a Trust Leaders of Education model with experts and specialists taking on more responsibility for curriculum and pedagogy within the trust
- Enhancing our leadership development offer, particularly for those leaders who are not teachers

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

Trustees' report (continued)
For the year ended 31 August 2023

Plans for future periods (continued)

Exploratory Phase

Investigate effective practice (both within and external to LiHT) in supporting vulnerable pupils to support us in our intent to universally impact upon those who need our support the most.

Indicative Areas of focus;

- Attendance
- Pupils Mental Health and Wellbeing
- Family and Community Liaison
- Support for School Social Inclusion Teams


Auditor

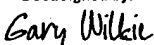
Insofar as the trustees are aware:

- 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.

Kreston Reeves LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Members.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on and signed on its behalf by:

DocuSigned by:

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B Spinks
Chair of Trustees

DocuSigned by:

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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 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 5 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 |
|---|-------------------|-------------------|
| Gary Wilkie CEO | 5 | 5 |
| Heidi Hinchliffe (HR & OD Chair) | 3 | 5 |
| Phil Haslett(resigned 11 October 2023) | 2 | 5 |
| Peter Saville | 4 | 5 |
| Lesley Cartmell (Finance Committee Chair) | 4 | 5 |
| Ben Spinks, Chair of Trustees | 5 | 5 |
| Chilufya Mulenga (Risk & Audit Chair) | 3 | 5 |
| Gulbanu Kader (appointed 28.09.22) | 3 | 5 |
| Dan Morrow (appointed 07.12.22) | 2 | 4 |
| Penny Swain (appointed 07.12.22) | 4 | 4 |
| M Habbas | 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 2022/23 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.

In addition during the year the ESFA undertook a Finance Management and Governance Audit, each of the six recommendations have been fully implemented by the Trust.

Learning in Harmony Multi Academy Trust
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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. During the 2023/24 financial year, the committee also received reassurances on the oversight of capital expenditure projects across the Trust. 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:

| Governor | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| L Cartmell (Chair) | 5 | 5 |
| P Haslett | 1 | 5 |
| D Morrow | 2 | 4 |
| R White (co-opted accountant) | 5 | 5 |
| H Patel (co-opted accountant) | 4 | 5 |

During the year H Hincliffe stepped down from the Committee.

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, this includes premises and health and safety risks.

Attendance during the year at meetings was as follows:

| Governor | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| C Mulenga (Chair) | 5 | 5 |
| P Saville | 4 | 5 |
| D Myatt (co-opted, appointed 12 July 2023) | 0 | 0 |

The **Quality of Education Committee** is a newly formed committee of the main board of Trustees during the period of this report. The Quality of Education Committee's purpose is to review, support and challenge the schools' self evaluations of educational provision and standards, including attainment and progress data, and the personal behaviour and development of pupils at and across all of the Trust's schools.

Attendance during the year at meetings was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| G Kader (Chair) | 3 | 3 |
| L Cartmell | 2 | 3 |
| D Morrow | 1 | 3 |

Learning in Harmony Multi Academy Trust
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Governance Statement (continued)

Governance (continued)

The **HR and Organisational Development 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.

| Governor | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| H Hinchliffe | 1 | 2 |
| P Saville | 2 | 2 |
| B Spinks | 1 | 2 |
| J Herron (co-opted) | 0 | 1 |
| T Inverary (co-opted) | 2 | 2 |

During the year J Herron stepped down from the Committee.

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust 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 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 Trust uses the expertise of Bellrock, a facilities management company, in order to support with the procurement, oversight, delivery and value for money of key capital projects.

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

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

Governance Statement (continued)

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2022 to 31 August 2023 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has appointed 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:

- Business Continuity Preparedness
- Recruitment and Retention
- Financial Planning and Budgetary Control

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:

- Business Continuity - the auditors reported that the Trustee Board can take **Adequate Assurance** over the controls currently in place. There were no high priority findings.
- Recruitment and Retention - the auditors reported that the Trustee Board can take **Substantial Assurance** from the controls in place. There were no high priority findings.
- Financial Planning and Budget Control - the auditors reported that the Trustee Board can take **Substantial Assurance** from the controls in place. There were no high priority findings.

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 and signed on their behalf by:

DocuSigned by:

Ben Spinks

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B Spinks

Chair of Trustees

Date: 12/12/2023

DocuSigned by:

Gary Wilkie

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G Wilkie

Accounting Officer

12/12/2023

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

Statement of Regularity, Propriety and Compliance

As accounting officer of Learning in Harmony Multi Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 2022.

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

DocuSigned by:

Gary Wilkie

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G Wilkie

Accounting Officer

Date: 12/12/2023

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

Statement of Trustees' responsibilities
For the year ended 31 August 2023

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 2022 to 2023;
- 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 and signed on its behalf by:

DocuSigned by:

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B Spinks
Chair of Trustees
Date: 12/12/2023

DocuSigned by:

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G Wilkie
Accounting officer
12/12/2023

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 2023 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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
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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 for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Trustees' report has 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.

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 Trust 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 regulations related to child protection and safeguarding, health and safety and employment law) 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

20 December 2023

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 23 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning in Harmony Multi Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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)

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.

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)

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
- Considered if borrowing agreements, including leases, have been made in accordance with the Academy Trust Handbook 2022
- Considered if the Trust's governance arrangements and composition comply with the Academy Trust Handbook 2022
- 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LLP

Reporting Accountant
Kreston Reeves LLP
Chartered Accountants

Date: 20 December 2023

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 2023

| | | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|-------------|--|--|--|---------------------------------------|---------------------------------------|
| | Note | | | | | |
| Income from: | | | | | | |
| Donations and capital grants: | 4 | | | | | |
| Transfer from local authority on conversion | | - | - | - | - | 4,884,189 |
| Other donations and capital grants | | 150,642 | - | 1,160,675 | 1,311,317 | 1,007,269 |
| Other trading activities | | 1,773,819 | - | - | 1,773,819 | 2,480,426 |
| Investments | 7 | 707 | - | - | 707 | 554 |
| Charitable activities | | - | 44,135,138 | - | 44,135,138 | 41,338,078 |
| Total income | | 1,925,168 | 44,135,138 | 1,160,675 | 47,220,981 | 49,710,516 |
| Expenditure on: | | | | | | |
| Charitable activities | | 1,796,292 | 44,752,344 | 2,847,866 | 49,396,502 | 48,897,605 |
| Total expenditure | | 1,796,292 | 44,752,344 | 2,847,866 | 49,396,502 | 48,897,605 |
| Net income/(expenditure) | | 128,876 | (617,206) | (1,687,191) | (2,175,521) | 812,911 |
| Transfers between funds | 18 | (163,206) | 163,206 | - | - | - |
| Net movement in funds before other recognised gains/(losses) | | (34,330) | (454,000) | (1,687,191) | (2,175,521) | 812,911 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains on defined benefit pension schemes | 24 | - | 5,286,000 | - | 5,286,000 | 24,345,000 |
| Net movement in funds | | (34,330) | 4,832,000 | (1,687,191) | 3,110,479 | 25,157,911 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 2,683,738 | (5,446,000) | 96,280,344 | 93,518,082 | 68,360,171 |
| Net movement in funds | | (34,330) | 4,832,000 | (1,687,191) | 3,110,479 | 25,157,911 |
| Total funds carried forward | | 2,649,408 | (614,000) | 94,593,153 | 96,628,561 | 93,518,082 |

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

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2023

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

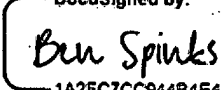
The notes on pages 39 to 67 form part of these financial statements.

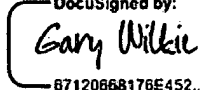
Learning in Harmony Multi Academy Trust
(A company limited by guarantee)
Registered number: 09148738

Balance sheet
As at 31 August 2023

| | Note | 2023 £ | 2022 £ |
|--|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 93,141,065 | 94,787,137 |
| | | <u>93,141,065</u> | <u>94,787,137</u> |
| Current assets | | | |
| Debtors | 16 | 1,982,023 | 1,202,215 |
| Cash at bank and in hand | | 5,552,938 | 6,545,112 |
| | | <u>7,534,961</u> | <u>7,747,327</u> |
| Creditors: amounts falling due within one year | 17 | (3,433,465) | (3,570,382) |
| Net current assets | | <u>4,101,496</u> | <u>4,176,945</u> |
| Total assets less current liabilities | | <u>97,242,561</u> | <u>98,964,082</u> |
| Net assets excluding pension liability | | <u>97,242,561</u> | <u>98,964,082</u> |
| Defined benefit pension scheme liability | 24 | (614,000) | (5,446,000) |
| Total net assets | | <u><u>96,628,561</u></u> | <u><u>93,518,082</u></u> |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 18 | 94,593,153 | 96,280,344 |
| Restricted funds excluding pension asset | 18 | 94,593,153 | 96,280,344 |
| Pension reserve | 18 | (614,000) | (5,446,000) |
| Total restricted funds | 18 | <u>93,979,153</u> | <u>90,834,344</u> |
| Unrestricted income funds | 18 | <u>2,649,408</u> | <u>2,683,738</u> |
| Total funds | | <u><u>96,628,561</u></u> | <u><u>93,518,082</u></u> |

The financial statements on pages 35 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DocuSigned by:

B Spinks
Chair of Trustees
Date: 12 December 2023

DocuSigned by:

G Wilkie
Accounting Officer

The notes on pages 39 to 67 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 2023

| | Note | 2023 £ | 2022 £ |
|---|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 20 | (1,680,979) | 935,033 |
| Cash flows from investing activities | 21 | 688,805 | 524,079 |
| Change in cash and cash equivalents in the year | | (992,174) | 1,459,112 |
| Cash and cash equivalents at the beginning of the year | | 6,545,112 | 5,086,000 |
| Cash and cash equivalents at the end of the year | 22, 23 | <u>5,552,938</u> | <u>6,545,112</u> |

The notes on pages 39 to 67 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 2023

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 2022 to 2023 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 pound.

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.

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

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.3 Income (continued)

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the 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 2023

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 2023

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 2023

2. Accounting policies (continued)

2.14 Pensions (continued)

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

2.15 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 28.

2.16 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.

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 24, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Notes to the financial statements
For the year ended 31 August 2023

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

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £93,141k 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.

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 24 for further details.

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

Notes to the financial statements
For the year ended 31 August 2023

4. Income from donations and capital grants

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Transfer from local authority on conversion | - | - | - | - | 4,884,189 |
| Donations | 150,642 | - | - | 150,642 | 41,246 |
| Capital grants | - | - | 1,160,675 | 1,160,675 | 966,023 |
| | <u>150,642</u> | <u>-</u> | <u>1,160,675</u> | <u>1,311,317</u> | <u>5,891,458</u> |
| Total 2022 | <u>736,074</u> | <u>(820,754)</u> | <u>5,976,138</u> | <u>5,891,458</u> | |

5. Funding for the academy trust's educational operations

| | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General annual grant (GAG) | 28,762,286 | 28,762,286 | 28,841,166 |
| Other DfE/ESFA grants | | | |
| Pupil Premium | 2,492,036 | 2,492,036 | 2,329,060 |
| Other ESFA/DfE grants | 2,856,142 | 2,856,142 | 1,952,203 |
| | <u>34,110,464</u> | <u>34,110,464</u> | <u>33,122,429</u> |
| Other Government grants | | | |
| Local authority grants | 10,024,674 | 10,024,674 | 8,215,649 |
| | <u>44,135,138</u> | <u>44,135,138</u> | <u>41,338,078</u> |
| Total 2022 | <u>41,338,078</u> | <u>41,338,078</u> | |

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6. Income from other trading activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------|--|---------------------------------------|---------------------------------------|
| Hire of facilities | 195,653 | 195,653 | 149,560 |
| Catering income | 193,885 | 193,885 | 197,333 |
| Other trading income | 1,384,281 | 1,384,281 | 2,133,533 |
| | <u>1,773,819</u> | <u>1,773,819</u> | <u>2,480,426</u> |
| Total 2022 | <u>2,480,426</u> | <u>2,480,426</u> | |

7. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Interest received | 707 | 707 | 554 |
| | <u>554</u> | <u>554</u> | |
| Total 2022 | <u>554</u> | <u>554</u> | |

8. Expenditure

| | Staff Costs 2023 £ | Premises 2023 £ | Other 2023 £ | Total 2023 £ | Total 2022 £ |
|------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Educational operations | | | | | |
| Direct costs | 28,721,162 | - | 2,343,171 | 31,064,333 | 31,766,748 |
| Support costs | 8,952,442 | 4,143,384 | 5,236,343 | 18,332,169 | 17,130,858 |
| | <u>37,673,604</u> | <u>4,143,384</u> | <u>7,579,514</u> | <u>49,396,502</u> | <u>48,897,606</u> |
| Total 2022 | <u>38,454,480</u> | <u>3,799,000</u> | <u>6,644,126</u> | <u>48,897,606</u> | |

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9. Analysis of expenditure by activities

| | Direct costs 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------|---|--|--|--|
| Educational operations | 31,064,333 | 18,332,169 | 49,396,502 | 48,897,606 |
| | <u>31,064,333</u> | <u>18,332,169</u> | <u>49,396,502</u> | |
| Total 2022 | 31,766,748 | 17,130,858 | 48,897,606 | |
| | <u>31,766,748</u> | <u>17,130,858</u> | <u>48,897,606</u> | |

Analysis of direct costs

| | 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------------|-------------------|--|--|
| Staff costs | 28,721,162 | 28,721,162 | 29,770,589 |
| Travel costs | 341,080 | 341,080 | 113,895 |
| Educational supplies | 875,806 | 875,806 | 844,937 |
| Educational equipment | 84,750 | 84,750 | 30,979 |
| Educational consultancy | 750,802 | 750,802 | 773,210 |
| Staff development | 290,733 | 290,733 | 233,138 |
| | <u>31,064,333</u> | <u>31,064,333</u> | <u>31,766,748</u> |
| Total 2022 | 31,766,748 | 31,766,748 | |
| | <u>31,766,748</u> | <u>31,766,748</u> | |

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

| | 2023 | Total | Total |
|----------------------------|-------------------|-------------------|-------------------|
| | £ | funds | funds |
| | | 2023 | 2022 |
| | | £ | £ |
| LGPS finance pension costs | 187,000 | 187,000 | 423,000 |
| Staff costs | 8,661,442 | 8,661,442 | 8,450,891 |
| Depreciation | 2,118,649 | 2,118,649 | 1,968,006 |
| Repairs and maintenance | 1,594,291 | 1,594,291 | 568,502 |
| Cleaning costs | 1,104,983 | 1,104,983 | 1,345,891 |
| Light, heat and rates | 1,194,769 | 1,194,769 | 990,233 |
| Insurance costs | 141,105 | 141,105 | 132,255 |
| General office costs | 127,739 | 127,739 | 110,898 |
| ICT costs | 542,656 | 542,656 | 399,410 |
| Other staff costs | 57,252 | 57,252 | 225,618 |
| Professional fees | 300,701 | 300,701 | 626,822 |
| Catering costs | 1,883,943 | 1,883,943 | 1,649,398 |
| Other support costs | 389,594 | 389,594 | 104,909 |
| Governance costs | 28,045 | 28,045 | 135,025 |
| | 18,332,169 | 18,332,169 | 17,130,858 |
| Total 2022 | 17,130,858 | 17,130,858 | |

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2023 | 2022 |
|---------------------------------------|------------------|-------------|
| | £ | £ |
| Operating lease rentals | 66,000 | 92,000 |
| Depreciation of tangible fixed assets | 2,119,000 | 1,969,000 |
| Fees paid to auditor for: | | |
| - audit | 24,000 | 23,000 |
| - other services | 2,000 | 4,000 |

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2023 £ | 2022 £ |
|---------------------------|-------------------|-------------------|
| Wages and salaries | 26,113,301 | 24,831,720 |
| Social security costs | 2,508,250 | 2,398,243 |
| Pension costs | 5,352,053 | 7,837,517 |
| | <u>33,973,604</u> | <u>35,067,480</u> |
| Agency staff costs | 3,166,000 | 2,930,000 |
| Staff restructuring costs | 243,000 | 224,000 |
| Staff development | 291,000 | 233,000 |
| | <u>37,673,604</u> | <u>38,454,480</u> |

Staff restructuring costs comprise:

| | 2023 £ | 2022 £ |
|---------------------|----------------|----------------|
| Redundancy payments | 224,000 | 154,000 |
| Severance payments | 19,000 | 70,000 |
| | <u>243,000</u> | <u>224,000</u> |

b. Severance payments

The Academy paid 1 severance payments in the year (2022 - 3), disclosed in the following bands:

| | 2023 No. | 2022 No. |
|-------------------|-------------|-------------|
| £0 - £25,000 | 1 | 2 |
| £25,001 - £50,000 | - | 1 |
| | <u>1</u> | <u>3</u> |

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £19k (2022: £70k). This comprised of one payment of £19k.

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Notes to the financial statements
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11. Staff (continued)

d. Staff numbers

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

| | 2023 No. | 2022 No. |
|-------------------|--------------|--------------|
| Teachers | 317 | 341 |
| Admin and Support | 634 | 670 |
| Management | 57 | 49 |
| | <u>1,008</u> | <u>1,060</u> |

The average headcount expressed as full-time equivalents was:

| | 2023 No. | 2022 No. |
|-------------------|-------------|-------------|
| Teachers | 292 | 311 |
| Admin and support | 367 | 363 |
| Management | 53 | 48 |
| | <u>712</u> | <u>722</u> |

e. Higher paid staff

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

| | 2023 No. | 2022 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 17 | 21 |
| In the band £70,001 - £80,000 | 18 | 12 |
| In the band £80,001 - £90,000 | 5 | 3 |
| In the band £90,001 - £100,000 | 3 | 3 |
| In the band £100,001 - £110,000 | 5 | 3 |
| In the band £150,000 - £160,000 | - | 1 |
| In the band £160,000 - £170,000 | 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 £906k (2022 - £747k).

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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:

8.9% (2022: 7.0%) of pupil funded income.

The actual amounts charged during the year were as follows:

| | 2023 £ | 2022 £ |
|------------------------------|------------------|------------------|
| Temple Sutton Primary School | 319,000 | 258,000 |
| New North Academy | 178,000 | 135,000 |
| Hartley Primary School | 368,000 | 307,000 |
| Upton Cross Primary | 369,000 | 356,000 |
| John F Kennedy School | 459,000 | 443,000 |
| Sheringham Primary School | 347,000 | 288,000 |
| Blenheim Primary School | 284,000 | 217,000 |
| Drew Primary School | 277,000 | 213,000 |
| Greenways Primary School | 364,000 | 293,000 |
| Edwards Hall Primary | 171,000 | 87,000 |
| Total | 3,136,000 | 2,597,000 |

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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:

| | | 2023 | 2022 |
|------------------------------|----------------------------|------------------|-------------|
| | | £ | £ |
| G Wilkie, Accounting Officer | Remuneration | 160,000 - | 150,000 - |
| | | 165,000 | 155,000 |
| | Pension contributions paid | | 20,000 - |
| | | | 25,000 |

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £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.

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Notes to the financial statements
For the year ended 31 August 2023

15. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|-------------|
| Cost or valuation | | | | |
| At 1 September 2022 | 99,966,470 | 3,403,677 | 1,012,627 | 104,382,774 |
| Additions | - | 351,907 | 120,670 | 472,577 |
| At 31 August 2023 | 99,966,470 | 3,755,584 | 1,133,297 | 104,855,351 |
| Depreciation | | | | |
| At 1 September 2022 | 6,746,183 | 2,019,673 | 829,781 | 9,595,637 |
| Charge for the year | 1,207,521 | 789,846 | 121,282 | 2,118,649 |
| At 31 August 2023 | 7,953,704 | 2,809,519 | 951,063 | 11,714,286 |
| Net book value | | | | |
| At 31 August 2023 | 92,012,766 | 946,065 | 182,234 | 93,141,065 |
| At 31 August 2022 | 93,220,287 | 1,384,004 | 182,846 | 94,787,137 |

Included in land and buildings is land valued at £38,638k (2022: £38,638k)

16. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 937,623 | 168,196 |
| Other debtors | 210,378 | 173,012 |
| Prepayments and accrued income | 834,022 | 861,007 |
| | 1,982,023 | 1,202,215 |

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Notes to the financial statements
For the year ended 31 August 2023

17. Creditors: Amounts falling due within one year

| | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Bank overdrafts | - | 103 |
| Trade creditors | 813,986 | 1,250,560 |
| Other taxation and social security | 604,462 | 598,668 |
| Other creditors | 640,132 | 583,692 |
| Accruals and deferred income | 1,374,885 | 1,137,359 |
| | 3,433,465 | 3,570,382 |
| | 2023 | 2022 |
| | £ | £ |
| Deferred income at 1 September 2022 | 472,000 | 1,031,000 |
| Resources deferred during the year | 575,000 | 472,000 |
| Amounts released from previous periods | (472,000) | (1,031,000) |
| | 575,000 | 472,000 |

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

Learning in Harmony Multi Academy Trust
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Notes to the financial statements
For the year ended 31 August 2023

18. Statement of funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2023 £ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 2,683,738 | 1,925,168 | (1,796,292) | (163,206) | - | 2,649,408 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | - | 28,762,286 | (28,925,492) | 163,206 | - | - |
| Pupil Premium | - | 2,492,036 | (2,492,036) | - | - | - |
| Other DfE/ESFA grants | - | 2,856,141 | (2,856,141) | - | - | - |
| Other government grants | - | 10,024,675 | (10,024,675) | - | - | - |
| Pension reserve | (5,446,000) | - | (454,000) | - | 5,286,000 | (614,000) |
| | <u>(5,446,000)</u> | <u>44,135,138</u> | <u>(44,752,344)</u> | <u>163,206</u> | <u>5,286,000</u> | <u>(614,000)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset fund | 94,787,137 | - | (2,118,649) | 472,577 | - | 93,141,065 |
| ESFA/DfE capital grants | 1,493,207 | 1,160,675 | (729,217) | (472,577) | - | 1,452,088 |
| | <u>96,280,344</u> | <u>1,160,675</u> | <u>(2,847,866)</u> | <u>-</u> | <u>-</u> | <u>94,593,153</u> |
| Total Restricted funds | <u>90,834,344</u> | <u>45,295,813</u> | <u>(47,600,210)</u> | <u>163,206</u> | <u>5,286,000</u> | <u>93,979,153</u> |
| Total funds | <u>93,518,082</u> | <u>47,220,981</u> | <u>(49,396,502)</u> | <u>-</u> | <u>5,286,000</u> | <u>96,628,561</u> |

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.

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Notes to the financial statements
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18. Statement of funds (continued)

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.

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

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 2023.

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18. Statement of funds (continued)

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

| | Balance at 1-September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|---|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 2,923,247 | 2,480,581 | (797,164) | (1,922,926) | - | 2,683,738 |
| Transfer from local authority on conversion | - | 736,074 | - | (736,074) | - | - |
| | <u>2,923,247</u> | <u>3,216,655</u> | <u>(797,164)</u> | <u>(2,659,000)</u> | <u>-</u> | <u>2,683,738</u> |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 28,841,166 | (30,100,166) | 1,259,000 | - | - |
| Pupil Premium | - | 2,329,060 | (2,329,060) | - | - | - |
| Other DfE/ESFA grants | - | 1,952,203 | (1,952,203) | - | - | - |
| Other government grants | - | 8,215,649 | (8,215,649) | - | - | - |
| Other income | - | 40,846 | (40,846) | - | - | - |
| Transfer from local authority on conversion | - | (862,000) | - | 862,000 | - | - |
| Pension reserve | (25,697,000) | - | (3,232,000) | (862,000) | 24,345,000 | (5,446,000) |
| | <u>(25,697,000)</u> | <u>40,516,924</u> | <u>(45,869,924)</u> | <u>1,259,000</u> | <u>24,345,000</u> | <u>(5,446,000)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset fund | 90,566,605 | - | (1,968,006) | 6,188,538 | - | 94,787,137 |
| ESFA/DfE capital grants | 567,000 | 966,023 | (262,423) | 222,607 | - | 1,493,207 |
| Transfer from local authority on conversion | - | 5,010,115 | - | (5,010,115) | - | - |
| | <u>91,133,605</u> | <u>5,976,138</u> | <u>(2,230,429)</u> | <u>1,401,030</u> | <u>-</u> | <u>96,280,344</u> |

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Notes to the financial statements
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18. Statement of funds (continued)

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Total Restricted funds | 65,436,605 | 46,493,062 | (48,100,353) | 2,660,030 | 24,345,000 | 90,834,344 |
| | | | | | | |
| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
| Total funds | 68,359,852 | 49,709,717 | (48,897,517) | 1,030 | 24,345,000 | 93,518,082 |

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Temple Sutton Primary School | 1,000 | 1,000 |
| New North Academy | 1,000 | 1,000 |
| Hartley Primary School | 1,000 | 1,000 |
| Upton Cross Primary | 1,000 | 1,000 |
| John F Kennedy School | 1,000 | 1,000 |
| Sheringham Primary School | 1,000 | 1,000 |
| Blenheim Primary School | 1,000 | 1,000 |
| Drew Primary School | 1,000 | 1,000 |
| Greenways Primary School | 1,000 | 1,000 |
| Central Services | 2,639,408 | 2,674,738 |
| Edwards Hall Primary School | 1,000 | - |
| Total before fixed asset funds and pension reserve | 2,649,408 | 2,683,738 |
| Restricted fixed asset fund | 94,593,153 | 96,280,344 |
| Pension reserve | (614,000) | (5,446,000) |
| Total | 96,628,561 | 93,518,082 |

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Notes to the financial statements
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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 £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2023 £ | Total 2022 £ |
|---------------------------------|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Temple Sutton Primary School | 3,382,237 | 545,865 | 172,585 | 482,864 | 4,583,551 | 4,359,000 |
| New North Academy | 1,369,716 | 504,240 | 75,015 | 376,197 | 2,325,168 | 2,440,000 |
| Hartley Primary School | 3,099,613 | 542,301 | 251,004 | 828,286 | 4,721,204 | 4,784,000 |
| Upton Cross Primary | 2,873,425 | 902,840 | 237,536 | 946,068 | 4,959,869 | 5,197,000 |
| John F Kennedy School | 3,756,377 | 2,107,476 | 213,894 | 766,612 | 6,844,359 | 6,382,000 |
| Sheringham Primary School | 3,207,210 | 398,235 | 180,182 | 805,755 | 4,591,382 | 4,379,000 |
| Blenheim Primary School | 2,956,932 | 580,852 | 211,992 | 444,092 | 4,193,868 | 3,629,000 |
| Drew Primary School | 2,116,919 | 634,035 | 170,320 | 520,323 | 3,441,597 | 3,171,000 |
| Greenways Primary School | 3,423,135 | 801,524 | 243,784 | 592,181 | 5,060,624 | 4,961,000 |
| Edwards Hall Primary | 1,303,741 | 238,806 | 93,525 | 286,825 | 1,922,897 | 1,387,000 |
| Learning in Harmony | 1,231,857 | 1,592,268 | 493,334 | 1,315,875 | 4,633,334 | 6,240,599 |
| Academy | 28,721,162 | 8,848,442 | 2,343,171 | 7,365,078 | 47,277,853 | 46,929,599 |

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 93,141,065 | 93,141,065 |
| Current assets | 1,920,191 | 3,433,465 | 2,181,305 | 7,534,961 |
| Creditors due within one year | - | (3,433,465) | - | (3,433,465) |
| Provisions for liabilities and charges | - | (614,000) | - | (614,000) |
| Difference | 729,217 | - | (729,217) | - |
| Total | 2,649,408 | (614,000) | 94,593,153 | 96,628,561 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 94,787,137 | 94,787,137 |
| Current assets | 2,683,738 | 3,570,382 | 1,493,207 | 7,747,327 |
| Creditors due within one year | - | (3,570,382) | - | (3,570,382) |
| Provisions for liabilities and charges | - | (5,446,000) | - | (5,446,000) |
| Total | 2,683,738 | (5,446,000) | 96,280,344 | 93,518,082 |

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For the year ended 31 August 2023

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

| | 2023 £ | 2022 £ |
|--|--------------------|----------------|
| Net (expenditure)/income for the year (as per Statement of financial activities) | (2,175,521) | 812,911 |
| Adjustments for: | | |
| Depreciation | 2,118,649 | 1,968,006 |
| Capital grants from DfE and other capital income | (1,160,675) | (966,023) |
| Interest receivable | (707) | (554) |
| Transfer from local authority on conversion | - | (4,884,189) |
| Defined benefit pension scheme cost less contributions payable | 267,000 | 2,808,000 |
| Defined benefit pension scheme finance cost | 187,000 | 423,000 |
| (Increase)/decrease in debtors | (779,807) | 878,882 |
| Decrease in creditors | (136,918) | (105,000) |
| Net cash (used in)/provided by operating activities | (1,680,979) | 935,033 |

21. Cash flows from investing activities

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Dividends, interest and rents from investments | 707 | 554 |
| Purchase of tangible assets | (472,577) | (1,178,572) |
| Capital grants from DfE Group | 1,160,675 | 966,023 |
| Cash transferred from local authority on conversion | - | 736,074 |
| Net cash provided by investing activities | 688,805 | 524,079 |

22. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 5,552,938 | 6,545,112 |
| Total cash and cash equivalents | 5,552,938 | 6,545,112 |

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Notes to the financial statements
For the year ended 31 August 2023

23. Analysis of changes in net debt

| | At 1 September 2022 £ | Cash flows £ | At 31 August 2023 £ |
|-------------------------------------|--|-------------------------|------------------------------------|
| Cash at bank and in hand | 6,545,112 | (992,174) | 5,552,938 |
| Bank overdrafts repayable on demand | (103) | 103 | - |
| | 6,545,009 | (992,071) | 5,552,938 |

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24. 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 2022.

Contributions amounting to £591k were payable to the schemes at 31 August 2023 (2022 - £577k) 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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

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24. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,708k (2022 - £3,216k).

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 2023 was £2,557k (2022 - £2,234k), of which employer's contributions totalled £2,016k (2022 - £1,733k) and employees' contributions totalled £ 541k (2022 - £461k). The agreed contribution rates for future years are 22.5 to 25% per cent for employers and 5.5 to 12.5% per cent for employees.

As described in note 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. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

| | 2023 | 2022 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.94 | 3.99 |
| Rate of increase for pensions in payment/inflation | 2.89 | 2.80 |
| Discount rate for scheme liabilities | 5.30 | 4.26 |
| Inflation assumption (CPI) | 2.86 | 2.91 |

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

| | 2023 | 2022 |
|----------------------|--------------|--------------|
| | Years | Years |
| Retiring today | | |
| Males | 20.6 | 21.4 |
| Females | 23.3 | 23.9 |
| Retiring in 20 years | | |
| Males | 21.9 | 22.7 |
| Females | 24.7 | 25.4 |

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24. Pension commitments (continued)

Sensitivity analysis

| | 2023 £000 | 2022 £000 |
|--|----------------------------|----------------------------|
| Discount rate +0.1% | (503,000) | (670,000) |
| Discount rate -0.1% | 514,000 | 694,000 |
| Mortality assumption - 1 year increase | 658,000 | 735,000 |
| Mortality assumption - 1 year decrease | (640,000) | (821,000) |
| CPI rate +0.1% | 500,000 | 661,000 |
| CPI rate -0.1% | (485,000) | (643,000) |
| Salary rate +0.1% | 27,000 | 42,000 |
| Salary rate -0.1% | (26,000) | (42,000) |

Share of scheme assets

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

| | At 31 August 2023 £ | At 31 August 2022 £ |
|-------------------------------------|--|--|
| Equities | 13,921,000 | 11,667,000 |
| Other bonds | 63,000 | 547,000 |
| Cash | 839,000 | 961,000 |
| Property | 2,168,000 | 2,687,000 |
| Alternative assets | 3,088,000 | 2,664,000 |
| Other assets | 152,000 | 1,074,000 |
| Other managed funds | 3,168,000 | 994,000 |
| Total market value of assets | 23,399,000 | 20,594,000 |

The actual return on scheme assets was £964,000 (2022 - £384,000).

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

| | 2023 £ | 2022 £ |
|---|-------------------------|-------------------------|
| Current service cost | 2,264,000 | 4,568,000 |
| Interest income | (919,000) | (319,000) |
| Interest cost | 1,106,000 | 742,000 |
| Administrative expenses | 19,000 | 14,000 |
| Total amount recognised in the Statement of financial activities | 2,470,000 | 5,005,000 |

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24. Pension commitments (continued)

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

| | 2023 £ | 2022 £ |
|------------------------------|-------------------|-------------------|
| At 1 September | 26,040,000 | 43,378,000 |
| Conversion of academy trusts | - | 1,569,000 |
| Current service cost | 2,264,000 | 4,538,000 |
| Interest cost | 1,106,000 | 742,000 |
| Employee contributions | 541,000 | 461,000 |
| Benefits paid | (572,000) | (398,000) |
| Past service costs | - | 30,000 |
| Actuarial gains | (5,478,000) | (24,280,000) |
| At 31 August | 23,901,000 | 26,040,000 |

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

| | 2023 £ | 2022 £ |
|------------------------------|-------------------|-------------------|
| At 1 September | 20,594,000 | 17,681,000 |
| Conversion of academy trusts | - | 707,000 |
| Actuarial (losses)/gains | (192,000) | 65,000 |
| Interest income | 919,000 | 319,000 |
| Employer contributions | 2,016,000 | 1,773,000 |
| Employee contributions | 541,000 | 461,000 |
| Benefits paid | (572,000) | (398,000) |
| Administration expenses | (19,000) | (14,000) |
| At 31 August | 23,287,000 | 20,594,000 |

25. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Not later than 1 year | 77,000 | 66,000 |
| Later than 1 year and not later than 5 years | 116,000 | 86,000 |
| | 193,000 | 152,000 |

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26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period:

Income Related Party Transaction

During the year Learning in Harmony Multi Academy Trust received income from Barking and Dagenham School Improvement Partnership (BDSIP) amounting to £11,475 (2022: £11,250) in regards to school support. Ben Spinks, chair of trustees is the chief executive of BDSIP. At the balance sheet date BDSIP owed the Trust £450 (2022: Nil).

28. Post balance sheet events

In 2023, Learning in Harmony Multi Academy Trust began discussions to have Barons Court Primary School and Nursery join the Trust as an academy converter. On 21 September 2023 the Trust received formal approval of the conversion from the East of England advisory board. No transfer date has been finalised at this stage.

Connaught Special School formally joined the Trust on the 1 September 2023.

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 £8k (2022: £23k) and disbursed £8k (2022: £23k) from the fund.