

Company Registration No. 08840373 (England and Wales)

THE HARMONY TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE HARMONY TRUST LTD

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THE HARMONY TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Simmons
R Mohammed
D Hewitt
Oldham Hulme Grammar School
W Colebourne (until 30 November 2020)

Trustees

A Weinstock (Chair of Trustees)
S Bakht
A Forbes (Resigned 11 September 2021)
C Thorne
G McGuffie
N Hole
O Smythe
P Moulden (Resigned 28 June 2021)
I Robinson
E Farmer

Senior management team

- Chief Executive	A Hughes
- Director of Infrastructure	M Williams
- Head of Operations	T Mellor
- Chief Finance Officer	S Costello
- Head of Data Safeguarding & Health & Safety	W May
- Director of Strategic Programmes	J Green
- Executive Principal (Greenhill & Greenfield)	M Eccles
- Executive Principal (Richmond, Northmoor & Westwood)	J Hainsworth
- Executive Principal (Alt & Harmony Teaching School Alliance)	M Dickens
- Executive Principal (Hackwood & Lakeside)	T Rolfs
- Executive Principal (Reigate & Village)	L Thorne
- Executive Principal (Ashcroft & Cottons Farm)	T Stockwell (resigned 19 April 21)

Company secretary

S Costello

Company registration number

08840373 (England and Wales)

Registered office

Greenhill Academy
Harmony Street
Oldham
Greater Manchester
OL4 1RR

THE HARMONY TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Lakeside Primary Academy
Cottons Farm Primary Academy
Alvaston Junior Academy
Reigate Park Primary Academy
Carlyle Infant and Nursery Academy
Hackwood Primary Academy
Ash Croft Primary Academy
Village Primary Academy
Cavendish Close Junior Academy
Northmoor Academy
Richmond Academy
Westwood Academy
Alt Academy
Greenhill Academy
Greenfield Primary Academy

Location

Derbyshire
Derbyshire
Derbyshire
Derbyshire
Derbyshire
Derbyshire
Derbyshire
Derbyshire
Derbyshire
Greater Manchester
Greater Manchester
Greater Manchester
Greater Manchester
Greater Manchester
Greater Manchester

Principal

T Rolfs
T Stockwell/T Rolfs
K Spencer-Lovesey
L Thorne
L Besenzi
T Rolfs
T Stockwell/E Luff
L Thorne
M Tague
A Coleman
C Rahman
S Wimperis
M Dickens
M Eccles
M Eccles

Independent auditor

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

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2N 7HN

Solicitors

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

THE HARMONY TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Multi-Academy Trust operated six primary academies in Greater Manchester, and nine academies in Derby being six primary academies, two junior academies and one infant and nursery academy. The Trust's academies have a combined pupil capacity of 461 part time 2 year old and nursery and 5,600 primary places and had a roll of 5,050 (4,709 primary places and 341 two year old and nursery) in the school census autumn 2021.

The Trust has continued to develop its model of governance with forums in every academy for pupils, parents and staff to provide greater influence for these groups in the Trust's strategic priorities and direction. Prior to the onset of COVID-19 these were focused on engaging these groups in the major challenges and developments facing the Trust. This year the Trust has looked at different ways of capturing insight from these groups, including pupil insight on remote learning; staff insight on wellbeing and dealing with the pandemic; and parent forums looked at the implications of the Government's new policy on Relationships Education. The CEO continues to report to the Board on the key issues and recommendations emerging from the forums on at least a termly basis. The Trust has also continued to use Academy Improvement Boards where there needs to be closer support and challenge on the progress being made in an individual academy to ensure that children are receiving a high quality education. The Trust Leadership Team (TLT) includes all senior leaders within the Trust and oversees the implementation of the strategic plan and monitoring of performance and risk. In both Derby and the North West Learning Matters Steering Group (LMSG), involving all Executive Principals, the Director of Education and the CEO lead strategic developments across the Trust and address any emerging operational issues and challenges. During this year, this involved the leadership team developing a revised three year strategic plan focused on three related strategic themes: Great Place2Learn, Great Place2Work and Great Services.

The continuing impact of COVID-19 meant that emergency governance processes were kept in place, namely the creation of a COVID-19 Strategic Group that has met over a 100 times since March 2020 to provide direction and clarity to academies in their management of the crisis. The Group was chaired by the CEO and involved Directors and senior leaders from key services and representatives from the LMSG. The Board continued to meet on an extraordinary basis to take key decisions affecting the operational handling of the crisis and to allocate additional resources from Reserves.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Constitution

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

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

North West

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

Derby

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

Harmony Trust Teaching School Alliance also forms part of The Harmony Trust Ltd.

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

Members' liability

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

Trustees' indemnities

There have been no qualifying third party indemnity provisions in place for the year 1 September 2020 to 31 August 2021 (2020: nil).

Method of recruitment and appointment or election of trustees

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

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

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

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

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

- There is a training element to each main meeting delivered in-house
- External speakers deliver key elements, particularly covering statutory responsibilities
- This is supplemented by attendance at regional events
- Access to an online suite of learning modules
- Email alerts from National Bodies

Organisational structure

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

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

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

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

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

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

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

Senior management personnel are considered to be the key staff in driving the continued success of the Trust and their pay is set to reflect this and to recruit and retain excellent staff. This is also viewed with best value in mind and is looked at in terms of benchmarking against other similar academy trusts and other sectors where applicable.

The Board of Trustees take great care to ensure the public obtain value for money from the personnel appointed within the Trust and are attentive to excessive levels of pay. The Board of Trustees and its sub committees and any changes to previously approved salary ranges are reported, discussed and challenged through this process, this includes annual reports and recommendations for senior leaders to the Pay and Performance Committee. All reports submitted follow an evidence based process and reflects the individual's roles and responsibilities and the context & challenges the particular role faces.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	3.54

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time (£'000)	61
Total pay bill (£'000)	23,651
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1%
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THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Engagement with employees

The Trust has developed a more comprehensive communication strategy and process to ensure employees are consulted and communicated with on various strategic and operational priorities, including increased communication and staff insight in response to COVID-19.

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

Throughout the COVID-19 pandemic the Trust has utilised Microsoft Forms to gauge staff wellbeing and support communication flows between staff who have both been on and off site. The CEO has distributed weekly bulletins informing staff of the overarching position across the Trust and keeping them briefed on new developments and changes in guidance and policy from central Government.

The Trust has regular scheduled meetings with national & local union representatives. These have been ongoing for several years, and more recently throughout the pandemic have focused and consulted on measures and practices to ensure staff safety and wellbeing. These have been in place on a half termly basis throughout the pandemic.

Disabled employees

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

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

Employee consultation

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

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

Throughout the year, Trustees have taken account of the need to develop strong business relationships with suppliers, customers and others. This has been particularly important during the coronavirus pandemic to ensure financial stability for everyone, maintain well-being and ensure quality provision of services is maintained.

An example of this during 2020-2021 is adherence to Policy Procurement Notices issued by the Cabinet Office and support the Trust has provided to suppliers, particularly in the case of small local businesses, by negotiating payment in line with pre-existing contracts during lockdown while deferring the delivery of these services until the schools returned fully.

Related parties and other connected charities and organisations

The Trust has continued to be a provider of education services to other schools in Greater Manchester through the four year Opportunity Area initiative. This has been on its areas of specialism, including continuous professional development programmes focused on reading, early years, special educational needs, English as an Additional Language (EAL), and the effective deployment of teaching assistants.

The pandemic's impact led to a review of external strategic work and a decision to focus instead on the creation of the Trust's Development Team, which would support the CEO in the delivery of the Strategic Plan and provide all of the professional development needed for teachers, support staff and Academy Leaders.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust has also continued to work with other MATs and other external education partners that share a similar ethos and priorities (particularly around the role of technology in learning), including a highly effective partnership with the Tutor Trust on the provision of tuition to disadvantaged children (including an online learning pilot during the period when most learning provision was at home), Manchester Metropolitan University as a Hub for teacher trainees and as a partner of Nexus Teaching School Alliance for the same purpose.

The Trust has continued to use the services of Learn Sheffield for key briefings on key developments in the education sector particularly around changes in the regulatory frameworks. Learn Sheffield is a not for profit schools company owned by Sheffield schools and City Council. The Harmony Trust Ltd CEO sits as a co-opted Director on the Learn Sheffield Board.

Objectives and activities

Objects and aims

The Harmony Trust Ltd is registered at Greenhill Academy. Our commitment is to continue to work with other schools in Oldham, Tameside and Derby as well as support our own academies and to develop over time three local 'Hubs' primarily serving areas of disadvantage and where social mobility is relatively low. Developments in technology over this period have enabled closer working at all levels of the organisation across all academies and infrastructure services.

Our aim is to ensure that children at our academies experience the best educational provision, beginning with excellence in the Early Years Foundation Stage. We believe that school should be a place where every child achieves and makes progress in their learning across the whole curriculum over time. We aim to maximise opportunities for learning by extending the curriculum beyond the school day through a high quality remote learning offer. We know that parents are the single most influential factor in children's outcomes and that we need to prioritise even further the need to support parents to support their children's education. Every child has the entitlement to an inclusive curriculum, and we strive to ensure that disadvantage and additional needs do not act as barriers to learning and achievement. We aim for all our children to succeed both academically and socially, ready for the next phase of their learning and beyond as responsible and respectful citizens.

From the inception of Harmony Trust, the Trustees have been totally committed to being an employer of choice within the sector.

This commitment has given rise to the "Great Place 2 Work" strategy which is being continuously developed in response to our context and the views of staff. A key feature of this approach is to create the optimum conditions for all staff to work so that they experience both job satisfaction and high levels of well-being.

Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The Trust is in a strong position after 18 months of the crisis. This is directly because of the capability and commitment of its staff and the support of Trustees. There have been significant challenges, but the organisation has continued to achieve its objectives within the context of the pandemic as well as managing its successive phases.

Harmony has developed new capabilities and has grown as an organisation during this period. These include:

- Exploited technology in ways of working across the organisation and crucially in the provision of education through the Harnessing Technology Maximising Learning (HTML) strategy
- Greater collaboration across academies on educational priorities such as reading and early years
- Leadership and collaboration is more integrated across geographical areas
- Staff engagement and trust in the overall organisation is high
- Strong collaboration across both infrastructure functions and academies and across geographical areas
- Proven organisational resilience and ability to drive forward strategic change during a crisis
- More open and transparent communications and decision making processes
- Stronger parental engagement in learning
- A clear improvement framework, and through the peer inquiry and visits model led by the Director of Education the means to gather insight alongside data on our key priorities

Due to the exceptional circumstances relating to Covid-19, there were no published assessments again in 2021. Therefore comparison with previous years' assessments cannot be made. In terms of pupil outcomes, the impact of the Covid pandemic at Harmony is that during the first closure period (March 2020 to June 2020) the levels of prior attainment were broadly maintained. Oldham, Derby, and Tameside were areas that have had persistently high infection rates throughout the pandemic with consequences for the number of children and staff affected by the virus. The impact over the year was as follows:

- 183 Bubbles closed
- 600 staff self-isolating at some point
- 5,202 children self-isolating at some point - more incidences of self-isolation than the number we have in the Trust. Some academies e.g. Northmoor, far more incidences of SI than children (roughly double)
- 364 positive cases involving staff (132) and children

Despite this challenge, few children regressed in their learning because the intentional home learning offer was to practise and consolidate the skills that had previously been taught. Although prior attainment was maintained, new learning had not taken place and so an attainment gap emerged that would take a period of accelerated progress to close. All pupils lost a term of learning during this period. Upon return to school in June academies focused on ensuring pupil well-being, settling and recovering and the curriculum was matched to need. Academies focused on the basic skills: speaking and writing had been most affected by the closure period.

As the new academic year began in September 2020 the focus on catch up remained. Autumn term data and feedback from leaders showed that pupil progress began to accelerate during that term. Academies has adjusted their curriculum plans so that the focus was on the basics of speaking and listening, reading, writing, number and calculation. Curriculum content was prioritised so that essential skills were the foundations of the curriculum. The academies then faced a second closure period (January 2021 to March 2021) where expectations from government for remote learning and onsite provision were much higher. All academies secured a substantial remote learning offer and over a thousand devices were given to families to ensure that all children had the opportunity to engage. As a result of this pupils continued to build on the learning from the Autumn term, but there were interruptions which affected progress and attainment.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The most recent published data is from 2019.

Percentage of Pupils meeting a 'Good Level of Development'

Trust GLD (2019):

	Alt	Greenhill	Northmoor	Richmond	Westwood	Oldham
No on roll	43	60	50	46	27	226
GLD %	60	67	58	72	63	64

	Ash Croft	Carlyle	Cottons Farm	Lakeside	Reigate Park	Village	Derby
No on roll	18	59	13	84	39	87	241
GLD %	72	63	69	57	56	60	60

National GLD (2018): 72%

2019 KS1 results – Percentage of pupils meeting the expected standard

	Alt	Greenhill	Northmoor	Richmond	Westwood	Oldham
No on roll	46	61	65	59	28	259
Reading %	72	70	43	86	64	67
Writing %	65	64	40	76	57	60
Maths %	78	69	51	85	64	69

	Ash Croft	Cottons Farm	Lakeside	Reigate Park	Village	Derby
No on roll	35	17	88	58	86	284
Reading %	63	65	63	48	72	63
Writing %	51	71	55	47	67	57
Maths %	60	59	65	66	74	67

	Trust
No on roll	531
Reading %	66
Writing %	60
Maths %	69

2019 Key Stage Two Results – Percentage of pupils meeting the expected standard

	Alt	Greenhill	Northmoor	Richmond	Westwood	Oldham
No on roll	44	60	45	60	30	239
Reading %	55	68	62	53	73	61
Writing %	71	90	73	90	90	83
Maths %	77	83	82	78	93	82
SPAG %	84	81	76	90	93	84
Combined %	46	68	62	50	73	59

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

	Ash Croft	Alvaston	Cavendish	Cottons Farm	Lakeside	Reigate Park	Village	Derby
No on roll	30	81	86	18	67	48	88	418
Reading %	70	56	70	67	66	58	67	65
Writing %	80	69	72	78	63	35	74	67
Maths %	73	61	73	83	64	63	75	69
SPAG %	73	67	70	78	67	69	71	70
Combined %	63	44	63	67	58	33	59	54

	Trust	National
No on roll	657	73
Reading %	63	78
Writing %	73	79
Maths %	74	79
SPAG %	75	78
Combined %	56	65

2020 Phonics Screening Check – Percentage of pupils meeting the expected standard

Academy	Average score	# assessed	% passed
Alt	33.3	41	83%
Greenfield	32.1	32	66%
Greenhill	34.4	55	84%
Northmoor	26.5	46	43%
Richmond	31.3	39	77%
Westwood	32.4	25	76%
Ashcroft	31.5	17	71%
Carlyle	32.4	53	72%
Cottons	29.1	14	57%
Hackwood	28.3	9	56%
Lakeside	29.3	77	62%
Reigate	34.3	46	85%
Village	26.9	71	48%
North West	31.7	238	71%
Derby	30.2	287	64%
Trust	30.8	525	67%

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Attendance

School Attendance has been significantly impacted by the Covid Pandemic. During this 'Period X' codes were used for all pupils that were absent due to Covid and for all bubble closures and were therefore removed from the data.

Academies are being supported to understand their data and to ensure there are thorough records that show reasons for pupil absence. The Attendance Leads Network is supporting individual academies to develop Raising Attendance Plans. The challenge is to determine which strategies have the most impact on attendance so that we can prioritise resources and ensure impact.

North West

Year	Alt	Greenfield	Greenhill	Northmoor	Richmond	Westwood	North West
E	-	-	-	-	81.0%	-	81.9%
N	91.3%	83.6%	90.0%	90.6%	87.2%	91.9%	89.2%
R	89.9%	92.8%	92.0%	91.3%	92.6%	93.7%	91.8%
1	90.2%	93.3%	93.2%	92.2%	93.5%	93.9%	92.6%
2	91.7%	94.5%	95.2%	94.8%	91.9%	93.8%	93.7%
3	89.5%	94.0%	94.7%	93.7%	95.2%	95.2%	93.7%
4	89.2%	92.9%	93.8%	93.9%	93.3%	93.7%	92.8%
5	89.7%	95.9%	92.3%	94.8%	91.4%	93.2%	92.9%
6	90.5%	94.2%	93.7%	94.9%	91.8%	93.8%	93.2%
N-Y6	90.1%	93.7%	93.3%	93.7%	92.4%	93.8%	92.8%
Y1-Y6	90.1%	94.2%	93.8%	94.1%	92.8%	93.9%	93.2%

Derby

Year	Alvaston	Ashcroft	Carlisle	Cavendish	Cottons	Hackwood	Lakeside	Reigate	Village	Derby
E	-	-	-	-	-	-	-	-	86.9%	87.2%
N	-	-	92.8%	-	88.9%	97.2%	92.0%	94.9%	87.4%	92.0%
R	-	96.6%	92.2%	-	88.3%	97.9%	90.3%	95.3%	88.9%	92.1%
1	-	91.3%	95.4%	-	93.3%	97.7%	92.8%	96.6%	93.9%	94.3%
2	-	95.1%	95.1%	-	88.6%	94.8%	91.3%	94.9%	92.6%	93.0%
3	94.2%	95.9%	-	95.4%	93.5%	97.2%	94.2%	92.0%	91.5%	93.9%
4	94.2%	93.8%	-	95.3%	89.6%	95.7%	92.2%	95.0%	92.4%	93.7%
5	95.1%	96.8%	-	93.6%	85.5%	-	91.6%	94.5%	93.1%	93.5%
6	94.6%	94.7%	-	93.8%	92.2%	-	91.9%	92.5%	93.5%	93.3%
N-Y6	94.5%	94.8%	94.1%	94.6%	90.6%	96.9%	92.0%	94.3%	92.1%	93.4%
Y1-Y6	94.5%	94.7%	95.2%	94.6%	90.9%	96.5%	92.3%	94.1%	92.8%	93.6%

Trust

Year	Trust
E	84.2%
N	90.8%
R	92.0%
1	93.6%
2	93.3%
3	93.8%
4	93.4%
5	93.3%
6	93.3%
N-Y6	93.2%
Y1-Y6	93.4%

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

It is worth noting that National Attendance for Primary Schools on 31/3/2021 was 93%. Therefore the indication is that Trust attendance was at least in line with national averages.

Curriculum

The priorities at each academy are to:-

- Continue to raise attainment throughout the academy and ensure that children catch up in their learning and meet age related expectations across the curriculum
- All pupils to make good and accelerated progress, including groups vulnerable to low attainment such as children with special educational needs, boys, and disadvantaged children
- Improve and sustain the quality of teaching so that teaching is consistently good or better
- Monitor and evaluate academy performance and the impact of provision on children's learning

Each academy has the autonomy to carefully plan and design a bespoke curriculum offer to best meet the needs of the community it serves. They have the responsibility to define their curriculum content incorporating the statutory requirements of the National Curriculum, however the following design principles apply across the Trust and provide a framework for all of our academies:

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

The Trust prioritises the essential skills of communication, reading, writing and maths to allow access to the wider curriculum. Knowledge, skills and conceptual understanding are carefully combined to ensure sequence and progression in learning. Lessons are planned to ensure memorable learning. Assessment is used to inform the teaching sequence and to ensure all children make progress. The curriculum will provide the cultural capital to ensure our pupils will be skilled communicators as active global citizens for today and tomorrow. The curriculum sensitively reflects local context, history and culture and takes a local to global approach.

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

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

Coaching and mentoring at all levels continues to be a major area of professional development.

Parental involvement in learning and school life continues to be essential to building up relationships and supporting pupils learning at home. The Trust recognises that parents are a child's first educators and works to enable them to support learning as partners. All academies have continued to develop their approaches to engaging parents in education and developed practice that responds to their context. This developed further with the widespread provision of remote learning throughout the pandemic.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust has three main KPI's:

- To ensure that at next Ofsted inspection all academies are at least Good
- To ensure that each academy has robust and sound finances measurable using key performance tools/ targets and, wherever possible, have balanced or surplus budgets
- To ensure that the measurable pupil outcomes exceed national expectations and national averages

There have been no Government performance tables since the pandemic started and none of the academies have been subject to an Ofsted inspection since February 2020. However the Trust continues to focus on improving outcomes and provision for all children, and using its resources optimally in pursuing those aims.

Achievement

Until lockdown in March 2020, ongoing monitoring occurred as part of the regular structure. From March 2020, COVID-19 requirements were in place and formal assessments did not take place.

The Trust has two regular meetings with Academy Principals –

- 1) Progress and Standards Roundtables, which look at the progress being made by every year group in the academy following pupil progress meetings and submission of termly assessment data; and
- 2) Finance Roundtables – which look strategically and in real time at the financial position of each individual academy.

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

Self-Evaluation

The Trust Leadership Team evaluates the challenges and successes across its academies and the current strategic response in a number of ways:

- By regularly updating the strategic plan in response to data covering performance (including extensive use of data dashboards) and insight from pupil, parent, and staff forums. The strategic plan was substantially updated this year to reflect the challenges caused by the pandemic.
- Peer and external review of the academy's quality of provision –these are objective but developmental processes that involve Principals from other academies within the Trust. This year there was a peer review on the Trust's key strategy around reading for pleasure and purpose: Read, Achieve, Succeed
- Principals are responsible for monitoring and evaluating the quality of provision in their academies, but raise any issues with the CEO and/or through the leadership group.
- In 9 Academies there are Academy Improvement Boards that focus on more frequent Trust monitoring to ensure that individual academies are well supported to make further improvements in the quality of education.

Reporting

Termly detailed reports are completed by the Chief Executive Officer, who reports progress on the plan to the Board of Trustees and key issues affecting individual academies. These reports were previously cited by Ofsted as providing Trustees with the information they need to perform their duties effectively. Data is provided to the Board on safeguarding and key performance indicators and delivery plans, including the ongoing impact of Raising Achievement Plans and action taken on attendance.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Protecting the success of the academy trust

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

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

a) Long-term consequences of any decision

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

b) The interests of the company’s employees

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

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

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

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

Details of how the Trustees give consideration to the impact on the community can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust. Further information is also given in the section on Public Benefit. An example of how the Trust has considered its impact on the local community has been during the COVID-19 crisis, where a decision was made to supply supermarket vouchers to families normally in receipt of free school meals, ahead of the government introducing a national scheme.

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

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

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

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

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

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The Harmony Trust Ltd income is derived in the main from the Department of Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

Incoming resources during the year ended 31 August 2021 totalled £35.5m (2020: £34.2m) and were sufficient to cover outgoing resources and provided a surplus of £1.5m (2020: £2.5m) before transfers and other recognised gains and losses.

It should be noted that there has been additional expenditure incurred during the year as a direct result of the coronavirus pandemic (COVID-19) and the Trust operating in areas where infection rates were persistently above the national average. In particular, staff absence caused by self-isolation procedures were acute in some academies, necessitating significant additional supply costs. Primarily, these costs relate to increased staffing due to covid-related staff absence and adherence to risk assessment/bubble structure requirements. Unfortunately, the Trust was not eligible for the Workforce Fund grant made available by the government. This was specifically aimed at staff absence from the 1st Nov 2020 to 31st Dec 2020 and in order to be eligible, tolerance criteria in regards absence rates and reserves needed to be met. Further costs were incurred for the provision of free school meals for eligible children not able to attend school, increased cleaning costs and costs associated with remote/online learning for children who could not attend school.

At the 31 August 2021 the net book value of fixed assets was £79.9m (2020: £77.0m). The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. At the 31 August 2021 the net assets excluding pension liability was £83.4m (2020: £79.0m).

Reserves policy

The Trustees have established a reserves policy, the purpose of which is to ensure the stability of the Trust's organisational operations and its charitable activities by providing a financial comfort zone against an unpredictable future. This restricts the impact of any risk upon continuing operations. The reserves policy complements future strategic planning and will assist decision making.

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

Individual academies are expected to work within at least breakeven budgets each year, but the Trust recognises that this is not feasible in some cases where academies have low pupil numbers and lower funding levels from the ESFA. In these cases the Trust supports academies facing a deficit and supports them to return the academy to a surplus position.

Unrestricted reserves of the Trust are pooled for the benefit of the Trust as a whole and the consolidated Trust budget is set at least as a breakeven budget. The Reserves of the Trust are broken down into Restricted Fixed Asset Reserves, Restricted General Reserves, Unrestricted Reserves (free reserves), and the Pension Reserves.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Restricted Fixed Asset Reserves

At 31 August 2021 the balance of the Fixed Asset Reserve stood at £80.1m these assets are used by the Trust exclusively for providing education.

Restricted General Reserves

Restricted Income Funds must be spent by the Trust on the provision of education. At the 31 August 2021 these funds totalled £1.6m all of which represents committed expenditure in 2021-2022.

Unrestricted Reserves

Unrestricted funds are those funds that the Trust can spend how they believe appropriate at 31 August 2021 the funds totalled £1.7m.

Trust policy is to aim to retain around 5%-8% of recurrent funding whilst at the same time ensuring resources are primarily used to meet the needs of the pupils within the Trust. As outlined above the policy does recognise that there will be fluctuations on this target, work is being carried out to closely monitor the level of reserves.

Pension Reserves

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

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

The deficit at 31 August 2021 was £24.5m.

Investment policy

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

The Harmony Trust Ltd owns 100% of the issued ordinary share capital of Harmony Trading Services Limited, a company incorporated in England and Wales. The subsidiary is engaged in the supply of services to education. Its financial year end is 31 August 2021.

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

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

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

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The principal risk facing the Trust currently is the impact of an extended period of absence from formal education and/or the disruption caused by periods of self-isolation on children's learning, particularly when allied to the fact that many of its children live in challenging circumstances. It is commonly accepted by Government and Ofsted that the impact of this period has been greater on disadvantaged children.

Like all other Multi Academy Trusts, the Harmony Trust Ltd is operating through a continuing period of uncertainty regarding future funding, both locally and nationally. Repeatedly, the national picture is said to be one of increasing budgetary pressures and reducing income and these are felt on the frontline of operations.

There are growing risks around the impact of falling pupil numbers which is emerging as a national issue being faced across the sector. In some instance, there is over-supply of school places in the local area and for others, there is the impact of the historic performance of the schools before they joined the Trust. This is a major area for strategic focus in the coming year to mitigate that risk.

There also continues to be funding risks around children being admitted "in-year" to all of the Trust academies, particularly given the pattern of in year admission of children with complex educational and social needs and those newly arrived. Again, the Trust works closely with the local authorities to monitor and manage this risk. Further savings were made this year through staffing reviews and renewal of external contracts.

The Trust has grown significantly over a short period of time and continues to work with the new academies to embed robust financial management policies and processes into working practices whilst incorporating them into the Trust's medium to long term financial plans.

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

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

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

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

Policies and Procedures

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

Strategic Planning and Budgeting

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

Internal Scrutiny Programme

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

Risk Management Strategy

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

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial and risk management objectives and policies

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

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

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

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

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

Fundraising

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

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

Streamlined energy and carbon reporting

	2021	2020
	kWh	kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	4,938,512	3,895,457
- Fuel consumed for transport	13,958	1,339,636
- Electricity purchased	1,601,998	11,837
	<hr/>	<hr/>
	6,554,468	5,246,930
	<hr/>	<hr/>

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	904.54	716.26
- Fuel consumed for owned transport	-	-
	<hr/>	<hr/>
	904.54	716.26
Scope 2 - indirect emissions		
- Electricity purchased	340.15	312.32
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust	3.37	2.72
	<hr/>	<hr/>
Total gross emissions	1,248.06	1,031.30
	<hr/>	<hr/>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.27	0.22
	<hr/>	<hr/>

Quantification and reporting methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

During the year, The Harmony Trust has retendered electricity contracts and supply is now renewable biomass electricity. This helps reduce carbon emissions and drives forward energy efficiency. Energy reduced due to partial closure of the schools from Jan 2021 to March 2021 due to COVID-19. More staff have been working at home, which has reduced mileage costs as more remote meetings have taken place. As an organisation we invest in cloud computing and will look to continue to reduce mileage by holding meetings virtually where appropriate. We will look to improve energy efficiency throughout the year when renewing contracts and considering estate management.

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

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

These remain the principles behind our approach to growth. The Trust has been approved by the DfE to open a new free school in Oldham, Caderton Academy, by September 2024 and the long term direction of Harmony is to continue to grow as an organisation and support children, communities and schools where we are best placed to improve the quality of education they experience. Our geographical focus will continue to be on the East Midlands and the North West and building purposeful partnerships that enhance the opportunities for our children and staff, particularly in more disadvantaged contexts.

Business strategy

- To improve the viability of academies with falling pupil rolls through specific projects to offer early years and other services from their sites
- Continue to develop a Business Model for the Trust that is effective and efficient, and ensures that academies have access to high quality core services from the Trust (Great Services, in the revised Strategic Plan) – with services offered on a core, enhanced and bespoke basis
- Continue to develop and provide an enhanced high quality education, business and finance services to accelerate improvement
- To continue to implement robust Business Continuity plans
- Actively seek out opportunities to attract capital investment, particularly for academies in need for rebuild
- Actively seek out opportunities for both fundraising & bidding for funds, including those focused on disadvantaged children

Finance strategy

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

Leadership strategy

- Ensure the Trust has a Leadership and infrastructure that is high quality to maximise resources by succession planning, and effective financial management and planning
- To develop actively the next cohort of middle and senior leaders both in the academies and in the central team
- To ensure that all existing executive and senior leaders are involved in taking forward the Trust Strategic Plan
- Develop a handbook for Trustees and an ongoing training programme which contains advice and guidance to ensure they are effective in their role

THE HARMONY TRUST LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our Offer to schools, who are part of the Harmony Trust

- To work within an organisation that is focused on children and their life chances and that is both a Great Place to Learn and a Great Place to Work
- Access to best classroom practice and systems leadership within the Trust and our partner schools in order to improve teaching and learning
- Create the best conditions to retain good staff by providing excellent professional development within the Trust, through the newly established Development Team
- Ensure a sustainable / year on year improvement in pupil outcomes and academy finances
- Financial advice, management, budget setting and financial audit
- HR advice, recruitment, performance management, ICT management

We are working to review and refine the following services to create greater efficiencies of scale:

- Facilities & property management
- Further opportunities to rationalise procurement processes and gain economies of scale and improved value for money
- Enhanced range of high quality and specialist educational, business, & financial services that support academies in delivering the priorities set out in their Academy Delivery Plans.

Auditor

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29 November 2021 and signed on its behalf by:


A Weinstock
Chair of Trustees

THE HARMONY TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. In response to the COVID-19 restrictions all meetings have continued to be held remotely. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
A Weinstock (Chair of Trustees)	4	5
S Bakht	0	5
A Forbes (Resigned 11 September 2021)	0	5
C Thorne	5	5
G McGuffie	5	5
N Hole	3	5
O Smythe	5	5
P Moulden (Resigned 28 June 2021)	4	4
I Robinson	5	5
E Farmer	4	5

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

The feedback from the successive Ofsted reports about the effectiveness and impact of governance has been very encouraging and reinforced confidence in the model of differentiated challenge and support from Trustees to individual academies and their leaders. Members have been proactive, keeping in touch with strategic developments over the period, the Trust has four members, seeking a fifth, none of whom are Trustees.

During the 2017/18 academic year three of the Trust's Oldham Academies were inspected by Ofsted and, in each case, inspectors noted the level of knowledge and effectiveness of Trustees, further supported in May 2019 when Northmoor Academy was inspected by Ofsted 'Many trustees possess professional skills and use them well to check and hold leaders stringently to account for the impact of their actions. Trustees share the leaders' vision, commitment and high expectations. Additionally, trustees make affective use of their frequent and purposeful visits to the school to see staff and pupils at work and to check the accuracy of the information they receive. More recently, March 2020, Greenhill Academy was inspected by Ofsted 'Trustees play a strong and supportive role in the development of the school. Staff are very proud to work at the school and feel well supported.'

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

THE HARMONY TRUST LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Following Trustee turnover during the year the annual review identified the need to further strengthen the diversity of the Board. Recruitment is planned with this objective in mind and to further enhance particular areas of expertise.

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

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

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Weinstock (Chair of Trustees)	3	4
C Thorne	4	4
N Hole	3	4
O Smythe	3	4

Review of value for money

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

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

- Adhering to the school Financial Regulations and getting quotes as necessary
- Using preferred suppliers
- Retendering contracts as necessary

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Harmony Trust Ltd for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

THE HARMONY TRUST LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The risk and control framework

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

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

The Board of Trustees has retendered the internal scrutiny service from 1st September 2021 and this will be provided by Wylie & Bisset LLP (previously UHY Hacker Young Manchester LLP).

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

- Budgeting control
- Management accounts information
- Risk management
- Bribery, fraud and money laundering
- Gifts and hospitality
- Payroll and HR
- Governance
- Data and Information security
- Procurement
- Fixed Asset and Capital Accounting

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

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

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

THE HARMONY TRUST LTD

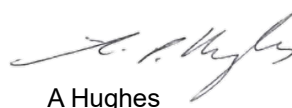
GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

Approved by order of the board of trustees on 29 November 2021 and signed on its behalf by:


A Weinstock
Chair of Trustees


A Hughes
Accounting Officer

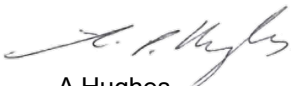
THE HARMONY TRUST LTD

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2021*

As accounting officer of The Harmony Trust Ltd, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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.



A Hughes
Accounting Officer

29 November 2021

THE HARMONY TRUST LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of The Harmony Trust Ltd for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 29 November 2021 and signed on its behalf by:


A Weinstock
Chair of Trustees

THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of The Harmony Trust Ltd for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

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

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

THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2021

Identifying and assessing potential risks related to irregularities

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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



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

29 November 2021

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 11 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Harmony Trust Ltd during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Harmony Trust Ltd's funding agreement with the Secretary of State for Education dated 29 September 2015 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

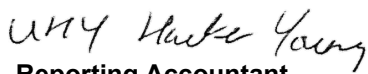
THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

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

Dated: 29 November 2021

THE HARMONY TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2021 £000's	Total 2020 £000's
Income and endowments from:						
Donations and capital grants	3	34	-	635	669	6,515
Donations - Transfer from local authority on conversion	30	102	(630)	4,675	4,147	-
Charitable activities:						
- Funding for educational operations	4	283	30,191	-	30,474	27,064
- Funding for teaching school	29	-	43	-	43	396
Other trading activities	5	135	-	-	135	101
Investments	6	14	-	-	14	85
Total		<u>568</u>	<u>29,604</u>	<u>5,310</u>	<u>35,482</u>	<u>34,161</u>
Expenditure on:						
Raising funds	7	25	-	-	25	18
Charitable activities:						
- Educational operations	9	500	30,918	2,463	33,881	31,262
- Teaching school	29	-	98	-	98	348
Total	7	<u>525</u>	<u>31,016</u>	<u>2,463</u>	<u>34,004</u>	<u>31,628</u>
Net income/(expenditure)		43	(1,412)	2,847	1,478	2,533
Transfers between funds	19	-	(184)	184	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(5,640)	-	(5,640)	(493)
Net movement in funds		43	(7,236)	3,031	(4,162)	2,040
Reconciliation of funds						
Total funds brought forward		<u>1,699</u>	<u>(15,639)</u>	<u>77,041</u>	<u>63,101</u>	<u>61,061</u>
Total funds carried forward		<u>1,742</u>	<u>(22,875)</u>	<u>80,072</u>	<u>58,939</u>	<u>63,101</u>

THE HARMONY TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2020 £000's
Income and endowments from:					
Donations and capital grants	3	63	-	6,452	6,515
Charitable activities:					
- Funding for educational operations	4	542	26,522	-	27,064
- Funding for teaching school	29	-	396	-	396
Other trading activities	5	101	-	-	101
Investments	6	85	-	-	85
Total		791	26,918	6,452	34,161
Expenditure on:					
Raising funds	7	18	-	-	18
Charitable activities:					
- Educational operations	9	690	28,329	2,243	31,262
- Teaching school	29	-	348	-	348
Total	7	708	28,677	2,243	31,628
Net income/(expenditure)		83	(1,759)	4,209	2,533
Transfers between funds	19	4	-	(4)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(493)	-	(493)
Net movement in funds		87	(2,252)	4,205	2,040
Reconciliation of funds					
Total funds brought forward		1,611	(13,386)	72,836	61,061
Total funds carried forward		1,698	(15,638)	77,041	63,101

THE HARMONY TRUST LTD

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£000's	£000's
Fixed assets			
Tangible assets	13	79,920	77,006
Current assets			
Debtors	15	1,795	1,346
Cash at bank and in hand		4,268	3,425
		<u>6,063</u>	<u>4,771</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(2,485)	(2,694)
Net current assets		<u>3,578</u>	<u>2,077</u>
Total assets less current liabilities		<u>83,498</u>	<u>79,083</u>
Creditors: amounts falling due after more than one year	17	(55)	(50)
Net assets before defined benefit pension scheme liability		<u>83,443</u>	<u>79,033</u>
Defined benefit pension scheme liability	21	(24,504)	(15,932)
Total net assets		<u>58,939</u>	<u>63,101</u>
Funds of the academy trust:			
Restricted funds	19		
- Fixed asset funds		80,072	77,041
- Restricted income funds		1,629	294
- Pension reserve		(24,504)	(15,932)
Total restricted funds		<u>57,197</u>	<u>61,403</u>
Unrestricted income funds	19	1,742	1,698
Total funds		<u>58,939</u>	<u>63,101</u>

The accounts on pages 35 to 64 were approved by the trustees and authorised for issue on 29 November 2021 and are signed on their behalf by:


A Weinstock
Chair of Trustees

Company Number 08840373

THE HARMONY TRUST LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £000's	2020 £000's
Cash flows from operating activities			
Net cash provided by operating activities	22	785	773
Cash funds transferred on conversion		102	-
		<u>887</u>	<u>773</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		14	85
Capital grants from DfE Group		457	350
Purchase of tangible fixed assets		(524)	(311)
		<u>(53)</u>	<u>124</u>
Cash flows from financing activities			
New other loan		24	-
Repayment of other loan		(15)	(9)
		<u>9</u>	<u>(9)</u>
Net increase in cash and cash equivalents in the reporting period		<u>843</u>	<u>888</u>
Cash and cash equivalents at beginning of the year		3,425	2,537
Cash and cash equivalents at end of the year		<u><u>4,268</u></u>	<u><u>3,425</u></u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Greenfield Primary Academy to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 30.

1.4 Income

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

Grants

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

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

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets on conversion

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Charitable activities

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

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

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

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

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

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

1.13 Private Finance Initiative

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

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

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

The cost included in these financial statements for the year ended 31 August 2021 is £552,504 is (2020: £484,879) and it is included in the statement of financial activities under the academy's educational operations. Each year the payments are subject to the retail price index.

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

1.14 Fixed asset investments

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £000's	Restricted funds £000's	Total 2021 £000's	Total 2020 £000's
Donated fixed assets	-	178	178	6,102
Capital grants	-	457	457	350
Other donations	34	-	34	63
	<u>34</u>	<u>635</u>	<u>669</u>	<u>6,515</u>

Included in Donated fixed assets is £Nil (2020: £6,045,000) of donations from DfE in relation to the free school programme.

4 Funding for the academy trust's educational operations

	Unrestricted funds £000's	Restricted funds £000's	Total 2021 £000's	Total 2020 £000's
DfE / ESFA grants				
General annual grant (GAG)	-	22,648	22,648	19,244
Other DfE / ESFA grants:				
Pupil premium	-	2,462	2,462	2,237
Start up grants	-	-	-	115
Others	-	2,382	2,382	2,155
	<u>-</u>	<u>27,492</u>	<u>27,492</u>	<u>23,751</u>
Other government grants				
Local authority grants	-	2,699	2,699	2,609
	<u>-</u>	<u>2,699</u>	<u>2,699</u>	<u>2,609</u>
Other funding				
Teaching school income	-	43	43	396
Other incoming resources	283	-	283	704
	<u>283</u>	<u>43</u>	<u>326</u>	<u>1,100</u>
Total funding	<u>283</u>	<u>30,234</u>	<u>30,517</u>	<u>27,460</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2021 £000's	Total 2020 £000's
AGF separate disclosure	109	-	109	72
Other income	26	-	26	29
	<u>135</u>	<u>-</u>	<u>135</u>	<u>101</u>

6 Investment income

	Unrestricted funds £000's	Restricted funds £000's	Total 2021 £000's	Total 2020 £000's
Short term deposits	-	-	-	1
Other investment income	14	-	14	84
	<u>14</u>	<u>-</u>	<u>14</u>	<u>85</u>

7 Expenditure

	Staff costs £000's	Non Pay Expenditure Premises £000's	Other £000's	Total 2021 £000's	Total 2020 £000's
Expenditure on raising funds					
- Direct costs	-	-	25	25	18
Academy's educational operations					
- Direct costs	18,541	2,111	1,017	21,669	20,425
- Allocated support costs	6,849	2,151	3,212	12,212	10,837
Teaching school					
- Direct costs	24	-	48	72	249
- Allocated support costs	26	-	-	26	99
	<u>25,440</u>	<u>4,262</u>	<u>4,302</u>	<u>34,004</u>	<u>31,628</u>

Net income/(expenditure) for the year includes:

	2021 £000's	2020 £000's
Fees payable to auditor for:		
- Audit	24	26
- Other services	8	5
Operating lease rentals	57	1
Depreciation of tangible fixed assets	2,464	2,243
Unitary PFI payments	435	485
Net interest on defined benefit pension liability	308	263

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Central services

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

- human resources;
- financial services;
- educational support services
- data, safeguarding and health and safety
- others as arising
- ICT support service
- site management support services

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

- 5% of Funding for core services
- ICT Support Services has been centralised this year and is recharged out to the academies using Autumn census pupil numbers
- Any additional services provided are charged on a time apportioned basis throughout the year

The amounts charged during the year were as follows:

	2021 £000's	2020 £000's
Lakeside Primary Academy	239	138
Cottons Farm Primary Academy	52	36
Alvaston Junior Academy	130	80
Reigate Park Primary Academy	150	85
Carlyle Infant and Nursery Academy	74	51
Hackwood Primary Academy	52	14
Ash Croft Primary Academy	74	45
Village Primary Academy	268	120
Cavendish Close Junior Academy	112	75
Northmoor Academy	235	134
Richmond Academy	231	124
Westwood Academy	121	56
Alt Academy	150	90
Greenhill Academy	221	128
Greenfield Primary Academy	100	-
	<hr/> 2,209 <hr/>	<hr/> 1,176 <hr/>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2021 £000's	Total 2020 £000's
Direct costs				
Educational operations	-	21,669	21,669	20,425
Teaching school	-	72	72	249
Support costs				
Educational operations	500	11,712	12,212	10,837
Teaching school	-	26	26	99
	<u>500</u>	<u>33,479</u>	<u>33,979</u>	<u>31,610</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

(Continued)

	Teaching school £000's	Educational operations £000's	Total 2021 £000's	Total 2020 £000's
Analysis of support costs				
Support staff costs	26	6,923	6,949	6,092
Depreciation	-	352	352	255
Technology costs	-	351	351	277
Premises costs	-	1,799	1,799	1,685
Legal costs	-	13	13	51
Other support costs	-	2,731	2,731	2,523
Governance costs	-	43	43	53
	<u>26</u>	<u>12,212</u>	<u>12,238</u>	<u>10,936</u>

10 Staff

Staff costs

Staff costs during the year were:

	2021 £000's	2020 £000's
Wages and salaries	17,500	16,113
Social security costs	1,605	1,466
Pension costs	5,689	5,071
Staff costs - employees	<u>24,794</u>	<u>22,650</u>
Agency staff costs	646	845
Staff restructuring costs	-	38
	<u>25,440</u>	<u>23,533</u>
Staff development and other staff costs	74	68
Total staff expenditure	<u>25,514</u>	<u>23,601</u>
Staff restructuring costs comprise:		
Severance payments	-	38

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	264	267
Administration and support	528	450
Management	11	13
	<u>803</u>	<u>730</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	13	14
£70,001 - £80,000	5	4
£80,001 - £90,000	4	2
£90,001 - £100,000	2	3
£130,001 - £140,000	1	1
	<u>25</u>	<u>24</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,170,618 (2020: £1,337,580).

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

A Hughes (CEO and Accounting Officer, staff Trustee):

Remuneration £130,000-£135,000 (2020: £130,000-£135,000)

Employers pension contributions £25,000-£30,000 (2020: £25,000-£30,000)

During the period ended 31 August 2021, travel and subsistence expenses of £Nil (2020: £720) were reimbursed or paid directly to 0 trustees (2020: 2 trustees).

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Trustees' and officers' insurance

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

13 Tangible fixed assets

	Long leasehold buildings*	Computer equipment	Fixtures, fittings & equipment	Total
	£000's	£000's	£000's	£000's
Cost				
At 1 September 2020	83,123	421	697	84,241
Additions	4,905	417	56	5,378
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	88,028	838	753	89,619
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2020	6,715	275	245	7,235
Charge for the year	2,215	158	91	2,464
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	8,930	433	336	9,699
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2021	79,098	405	417	79,920
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	76,408	146	452	77,006
	<hr/>	<hr/>	<hr/>	<hr/>

Included in transfer on conversion is Greenfield Primary Academy to the value of £4,675,000 (Buildings £4,010,000, Land £665,000).

The additions are included at fair value following a professional valuation as at 3 August 2020 by Eddisons, a qualified surveyor.

14 Investments

The Harmony Trust Ltd owns 100% of the issued ordinary share capital of Harmony Trading Services Limited, a company incorporated in England and Wales. The subsidiary is engaged in the supply of services to education. Its financial year end is 31 August 2021.

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

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Debtors

	2021 £000's	2020 £000's
Trade debtors	140	153
Amounts owed by group undertakings	14	84
Other debtors	602	364
Prepayments and accrued income	1,039	745
	<u>1,795</u>	<u>1,346</u>

Prepayments and accrued income includes £81,229 (2020: £55,962) in respect of rates relief and pupil premium of £422,222 (2020: £378,872).

16 Creditors: amounts falling due within one year

	2021 £000's	2020 £000's
Other loans	7	3
Trade creditors	372	2
Other taxation and social security	382	352
Other creditors	1	-
Accruals and deferred income	1,723	2,337
	<u>2,485</u>	<u>2,694</u>

17 Creditors: amounts falling due after more than one year

	2021 £000's	2020 £000's
Other loans	<u>55</u>	<u>50</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Creditors: amounts falling due after more than one year

(Continued)

	2021 £000's	2020 £000's
Analysis of loans		
Wholly repayable within five years	62	53
Less: included in current liabilities	(7)	(3)
	<u>55</u>	<u>50</u>
Amounts included above	<u>55</u>	<u>50</u>
Loan maturity		
Debt due in one year or less	7	3
Due in more than one year but not more than two years	7	3
Due in more than two years but not more than five years	14	8
Due in more than five years	34	39
	<u>62</u>	<u>53</u>

Included within other loans is a loan of £10,288 (2020: £12,860) from SALIX under the Condition Improvement Fund provided on the following terms: Interest free, repayable over eight years by 16 six monthly payments of £1,286 commencing 1 September 17.

Also included within other loans are further loans of £10,327 (2020: £12,205) and £23,176 (2020: £27,390) from SALIX under the Condition Improvement Fund, which are provided on the following terms: Interest free, repayable over 14 years by 16 six monthly payments of £939 and £2,107 commencing September 2026.

During the year, on conversion to academy, the trust took on a £18,829 loan from SALIX under the Condition Improvement Fund which are provided on the following terms: Interest free, repayable over the loans remaining 4 years in 8 six monthly payments of £2,354.

18 Deferred income

	2021 £000's	2020 £000's
Deferred income is included within:		
Creditors due within one year	1,309	1,082
	<u>1,309</u>	<u>1,082</u>
Deferred income at 1 September 2020	1,082	792
Released from previous years	(1,082)	(792)
Resources deferred in the year	1,309	1,082
	<u>1,309</u>	<u>1,082</u>
Deferred income at 31 August 2021	<u>1,309</u>	<u>1,082</u>

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

- School Capital Funding of £800,672 (2020: £570,886)
- Universal Infant Free School Meals £248,194 (2020: £293,052),
- Early Years Funding of £188,896 (2020: £154,789)

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

	Balance at 1 September 2020 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2021 £000's
Restricted general funds					
General Annual Grant (GAG)	-	22,648	(21,017)	(184)	1,446
Start up grants	46	-	(46)	-	-
Other DfE / ESFA grants	74	4,844	(4,918)	-	-
Other government grants	58	2,699	(2,587)	-	170
Teaching school	68	43	(98)	-	13
Other restricted funds	48	-	(48)	-	-
Pension reserve	(15,932)	(630)	(2,302)	(5,640)	(24,504)
	<u>(15,638)</u>	<u>29,604</u>	<u>(31,016)</u>	<u>(5,824)</u>	<u>(22,875)</u>
Restricted fixed asset funds					
Inherited on conversion	70,355	4,675	(1,802)	-	73,228
DfE group capital grants	332	457	(297)	-	492
Capital expenditure from GAG	252	-	-	184	436
Private sector capital sponsorship	6,102	178	(364)	-	5,916
	<u>77,041</u>	<u>5,310</u>	<u>(2,463)</u>	<u>184</u>	<u>80,072</u>
Total restricted funds	<u>61,403</u>	<u>34,914</u>	<u>(33,479)</u>	<u>(5,640)</u>	<u>57,197</u>
Unrestricted funds					
General funds	<u>1,698</u>	<u>568</u>	<u>(524)</u>	<u>-</u>	<u>1,742</u>
Total funds	<u>63,101</u>	<u>35,482</u>	<u>(34,003)</u>	<u>(5,640)</u>	<u>58,939</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

Restricted Funds

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

Restricted fixed asset funds

The capital grants include DFC and Condition Improvement Fund funding from the ESFA.

Unrestricted funds

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

The academy trust is carrying a net surplus of £3.6m restricted general funds (excluding pension reserve) plus unrestricted funds as at 31 August 2021.

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

	Balance at 1 September 2019 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2020 £000's
Restricted general funds					
General Annual Grant (GAG)	-	19,244	(19,244)	-	-
Start up grants	-	115	(69)	-	46
Other DfE / ESFA grants	-	4,392	(4,318)	-	74
Other government grants	-	2,609	(2,551)	-	58
Teaching school	20	396	(348)	-	68
Other restricted funds	93	162	(207)	-	48
Pension reserve	(13,499)	-	(1,940)	(493)	(15,932)
	<u>(13,386)</u>	<u>26,918</u>	<u>(28,677)</u>	<u>(493)</u>	<u>(15,638)</u>
Restricted fixed asset funds					
Transfer on conversion	72,025	-	(1,670)	-	70,355
DfE group capital grants	559	350	(573)	(4)	332
Capital expenditure from GAG	252	-	-	-	252
Private sector capital sponsorship	-	6,102	-	-	6,102
	<u>72,836</u>	<u>6,452</u>	<u>(2,243)</u>	<u>(4)</u>	<u>77,041</u>
Total restricted funds	<u>59,450</u>	<u>33,370</u>	<u>(30,920)</u>	<u>(497)</u>	<u>61,403</u>
Unrestricted funds					
General funds	<u>1,611</u>	<u>791</u>	<u>(708)</u>	<u>4</u>	<u>1,698</u>
Total funds	<u>61,061</u>	<u>34,161</u>	<u>(31,628)</u>	<u>(493)</u>	<u>63,101</u>

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

Total funds analysis by academy

	2021 £000's	2020 £000's
Fund balances at 31 August 2021 were allocated as follows:		
The Harmony Trust Ltd	3,371	1,992
Total before fixed assets fund and pension reserve	3,371	1,992
Restricted fixed asset fund	80,072	77,041
Pension reserve	(24,504)	(15,932)
Total funds	58,939	63,101

Total cost analysis by academy

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

20 Analysis of net assets between funds

	Unrestricted Funds £000's	General £000's	Restricted funds: Fixed asset £000's	Total Funds £000's
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	79,920	79,920
Current assets	1,742	4,169	152	6,063
Creditors falling due within one year	-	(2,485)	-	(2,485)
Creditors falling due after one year	-	(55)	-	(55)
Defined benefit pension liability	-	(24,504)	-	(24,504)
Total net assets	1,742	(22,875)	80,072	58,939

THE HARMONY TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total Funds £000's
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	77,006	77,006
Current assets	1,699	3,037	35	4,771
Creditors falling due within one year	(1)	(2,693)	-	(2,694)
Creditors falling due after one year	-	(50)	-	(50)
Defined benefit pension liability	-	(15,932)	-	(15,932)
Total net assets	1,698	(15,638)	77,041	63,101

21 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The total contributions made for the year ended 31 August 2021 to TPS was £3,113,978 (2020: £2,877,623) of which employer's contributions totalled £2,231,009 (2020: £2,067,173) and employees' contributions totalled £882,969 (2020: £810,450).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.7%-22.7% for employers and 5.5%-12.5% for employees.

As described in note 30 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2021 £000's	2020 £000's
Employer's contributions	1,564	1,301
Employees' contributions	469	393
Total contributions	2,033	1,694

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.6-3.7	2.8-3.0
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.7	1.7-1.8

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

	2021 Years	2020 Years
Retiring today		
- Males	20.5-21.3	20.5-21.6
- Females	20.5-23.9	23.1-23.7
Retiring in 20 years		
- Males	21.9-22.5	22.0-22.6
- Females	22.0-25.8	25.0-25.1

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

	2021 £'000	2020 £'000
0.1% decrease in Real Discount Rate	1,253	4,462
1 year increase in Member Life Expectancy	1,825	
0.1% increase in the Pension Increase Rate (CPI)	1,076	3,756
0.1% increase in the Salary Increase Rate	156	615

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

	2021 Fair value £000's	2020 Fair value £000's
Equities	14,410	10,059
Bonds	3,922	2,967
Cash	1,287	1,243
Property	1,477	1,167
Total market value of assets	21,096	15,436

The actual return on scheme assets was £3,335,000 (2020: £46,000).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations	(Continued)	
Amount recognised in the statement of financial activities	2021 £000's	2020 £000's
Current service cost	3,558	2,978
Interest income	(294)	(269)
Interest cost	602	532
Total operating charge	3,866	3,241
Changes in the present value of defined benefit obligations		2021 £000's
At 1 September 2020		31,368
Obligations acquired on conversion		1,116
Current service cost		3,558
Interest cost		602
Employee contributions		469
Actuarial loss		8,681
Benefits paid		(194)
At 31 August 2021		45,600
Changes in the fair value of the academy trust's share of scheme assets		2021 £000's
At 1 September 2020		15,436
Assets acquired on conversion		486
Interest income		294
Actuarial (gain)/loss		3,041
Employer contributions		1,564
Employee contributions		469
Benefits paid		(194)
At 31 August 2021		21,096

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £000's	2020 £000's
Net income for the reporting period (as per the statement of financial activities)	1,478	2,533
Adjusted for:		
Net surplus on conversion to academy	(4,147)	-
Capital grants from DfE and other capital income	(635)	(6,452)
Investment income receivable	(14)	(85)
Defined benefit pension costs less contributions payable	1,994	1,677
Defined benefit pension scheme finance cost	308	263
Depreciation of tangible fixed assets	2,463	2,243
(Increase) in debtors	(449)	(43)
(Decrease)/increase in creditors	(213)	637
Net cash provided by operating activities	785	773

23 Major non-cash transactions

During the year, tangible fixed assets of £4,675,000 were recognised on the conversion of Greenfield Primary Academy (2020: £4,852,876 was donated to the Multi Academy Trust).

24 Analysis of changes in net funds

	1 September 2020 £000's	Cash flows £000's	31 August 2021 £000's
Cash	3,425	843	4,268
Loans falling due within one year	(3)	(4)	(7)
Loans falling due after more than one year	(50)	(5)	(55)
	3,372	834	4,206

25 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000's	2020 £000's
Amounts due within one year	277	57
Amounts due in two and five years	701	103
	978	160

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

25 Long-term commitments, including operating leases

(Continued)

Consideration of Cottons and Lakeside PFI Buildings

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

26 Capital commitments

	2021 £000's	2020 £000's
Expenditure contracted for but not provided in the accounts	153	310

The 2021 balance related to the outstanding commitments on building projects.

27 Related party transactions

Owing to the nature of the Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the year of account in addition to certain Trustees' remuneration and expenses already disclosed in note 11.

Expenditure related party transactions

Learn Sheffield – a company in which A Hughes, CEO (a trustee up to 11 March 2019) is a director.

The academy trust purchased consultancy services from Learn Sheffield totalling £11,400 (2020: £19,933) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).

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

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook.

The element above £2,500 has been provided 'at no more than cost' and Learn Sheffield has provided a statement of assurance confirming this.

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

28 Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

29 Teaching school trading account

	2021		2020	
	£000's	£000's	£000's	£000's
Direct income				
Other external funding		43		396
Direct costs				
Direct staff costs	24		234	
Educational supplies and services	-		12	
Educational consultancy	48		3	
	<u>72</u>		<u>249</u>	
Other costs				
Support staff costs	26		27	
Technology costs	-		1	
Rent and rates	-		63	
Other support costs	-		8	
	<u>26</u>		<u>99</u>	
Total operating costs		(98)		(348)
(Deficit)/surplus from teaching school		(55)		48
Teaching school balances at 1 September 2020		68		20
Teaching school balances at 31 August 2021		<u>13</u>		<u>68</u>

30 Conversion to an academy

On 1 September 2020 the Greenfield Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Harmony Trust Ltd from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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

Academy	Location	Date of conversion		
Greenfield Primary Academy	Greater Manchester	1 September 2020		
	Unrestricted	Restricted funds:	Total	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

30 Conversion to an academy

(Continued)

	funds	General	Fixed asset	2021
Net assets transferred:	£000's	£000's	£000's	£000's
Leasehold land and buildings	-	-	4,675	4,675
Cash	102	-	-	102
Pension scheme deficit	-	(630)	-	(630)
	<u>102</u>	<u>(630)</u>	<u>4,675</u>	<u>4,147</u>

	Unrestricted funds	Restricted funds:		Total
	£000's	General	Fixed asset	2021
Funds surplus/(deficit) transferred:		£000's	£000's	£000's
Fixed assets funds	-	-	4,675	4,675
LA budget funds	102	-	-	102
LGPS pension funds	-	(630)	-	(630)
	<u>102</u>	<u>(630)</u>	<u>4,675</u>	<u>4,147</u>