Harmeny

Registered number: SC162021
Charity number: SC024256

HARMENY EDUCATION TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2026

Trustees	Jennifer Scott, Chair Rachel Caughey Gareth Gettinby John Halliday Scott O'Hagan Sarah Summers Walter Wood Alice Wadkin (appointed 11 September 2025)
Company Registered Number	SC162021
Charity Registered Number	SC024256
Registered Office	Mansfield Road Balerno EH14 7JY
Company Secretary	Jenny McIvor
Chief Executive Officer	Gavin Calder
Senior Leadership Team	Jenny McIvor, Head of Finance Sean McCahill, Head of HR Helen Goad, Head of Care Mandy Shiel, Head of Education Nicola Wylie, Head of Therapeutic Services
Independent Auditor	Dains Audit (Scotland) Limited 169 West George Street Glasgow G2 2LB
Bankers	The Royal Bank of Scotland 239 St John's Road Edinburgh EH12 7XA
Solicitors	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also Directors for the purposes of Company Law) present their annual report together with the audited financial statements of the Harmeny Education Trust Limited for the year 01 April 2025 to 31 March 2026. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

Harmeny Education Trust Limited (the Trust or Harmeny) was incorporated on 6 December 1995 and is a registered Scottish charity. The assets and liabilities were transferred to the Trust on 21 December 1995 by its predecessor organisation, Save the Children, who had responsibility for running the school from 1958 until that date.

The principal activity of the Trust is to advance in Scotland the education, care and wellbeing of children and young people who have additional support needs arising from social and emotional difficulties and, by the operation of Harmeny School and otherwise, to provide services on a day or residential basis and all related work.

Harmeny School

The school provides specialist education and care services on a day and year-round residential basis, for children of primary age up to age 18. As a Grant Aided Special School, we work with children who have complex social, emotional and behavioural needs. Services are provided on both a national and regional basis, with children being referred by local authorities throughout the whole of Scotland. The school is registered with the Care Inspectorate for up to 32 residential places and also provides day places for up to 8 children.

The school also provides a range of adventurous and environmental activities, which are fully integrated into the curriculum, for all children who attend Harmeny.

Strategic plan and performance management

Harmeny's five-year Strategic Plan (August 2025 to July 2030) includes the following strategic priorities:

- We continue to improve the lives of our children and young people through the Harmeny Way
- We raise the standards of care and education across the sector
- We support all colleagues to reach their full potential
- We provide a safe, sustainable and therapeutic environment
- We are nimble and responsive to the external environment in which we operate

A regular review of activities detailed in the Strategic Plan is carried out by the Trustees and leadership team in order to measure the success of the Trust in achieving their set objectives.

Overall measurement of the performance of the school is assessed by way of reports resulting from external reviews carried out by the Care Inspectorate and Education Scotland, as well as through Harmeny's own internal quality assurance systems including progress on each child's personal plans.

Achievements and performance

Throughout 2025-26 the Charity maintained strong performance, delivering on its strategic goals and continuing to do our best for the children and young people in our care.

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Strategic developments

We launched our new strategic plan for the period from August 2025 to July 2030 which focuses on our response to the withdrawal of the Scottish Government GASS grant by March 2029, as well our ambitions to deliver sector-leading services across all age groups.

A significant part of the strategy is the development of our estate to modernise existing buildings and facilities; including plans to modernise our primary school, as well as to develop new spaces to meet the needs of our population as they move towards independent living. We were excited to open an Annexe to Caroline Cottage to scaffold our oldest resident's move into a semi-independent living facility, and to develop key skills enable him to support himself beyond his time at Harmeny.

We launched an appeal to highlight the importance of play. The theory of PLAR (Play, Learn, Attach, Relax) is unique to Harmeny and forms the basis of much of our therapeutic model. The launch evening was well-attended with a speech from our Head of Therapeutic Services - a clinical psychologist giving context to the definitive need for enhanced facilities. We are grateful to Brewin Dolphin who allowed us to use their facilities for this evening and also for providing refreshments for invited guests.

We have also invested significantly in our digital infrastructure to enhance our cybersecurity and bring in systems that support our teams to provide a better-quality service for our children and young people; freeing up time spent behind screens by automation of processes and reporting.

We continued to embed our therapeutic practice framework, the Harmeny Way, across the organisation, strengthening our whole-system approach to supporting children and young people with complex needs. This included further development of training and induction, ongoing collaboration across care, education and therapies, systematic alignment of policies and staff recognition of the relevant strands of the Harmeny Way. Our multi-disciplinary therapeutic framework remains central to our approach, alongside regular consultation with specialist services and the use of evidence-based assessment tools. These enable us to better understand and respond to the wellbeing and developmental needs of children and young people.

During the year, we piloted the Building Underdeveloped Sensorimotor Systems (BUSS) model: a relational, trauma-informed approach designed to support children's regulation, development and learning. Following staff training and on-site support from the BUSS team, this was implemented with younger children through structured daily sensory and movement-based activities. Early outcomes indicate improvements in physical development, co-ordination and engagement, and the pilot has informed plans to extend this work further.

We completed research exploring models of best-practice care at Harmeny, in partnership with the University of Edinburgh. This research has informed future proposals for the organisation and led to the development of a Steering Group to develop these proposals in practice.

Further partnership work researching the positive impact that the natural environment at Harmeny has had on our current and former pupils is scheduled to start in the autumn. It is expected that this will be an accessible piece of research that can be shared widely to promote Harmeny's ethos and services.

The Chief Executive represented Harmeny as part of Phase 9 of the Scottish Child Abuse Inquiry in August and October of 2025. Lady Smith has still to report of her findings and recommendations from this phase.

High quality services

We continued to provide high quality care and education services for children with complex additional support needs from primary age upwards.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Our focus remained on our pupil numbers throughout the year, to ensure that we retain healthy numbers of residential and day pupils across the cottage and class groups, with additional consideration going to the balance between primary and secondary age groups. We have worked to improve our communications and relationships with Local Authorities to ensure we continue to receive referrals into the service.

Harmeny Here4U (our throughcare and aftercare service) continued into its fourth year, with the project securing ongoing funding from the Ryvoan Charitable Trust in order to ensure that the service can continue to support sector-leading transitions and keeping-in-touch activity at Harmeny.

As of 31 March 2026, the project had connected with just over 62% of former pupils in the identified project cohort of those under 26 years old, as well as many former pupils outside of this age bracket. This includes individuals who attended Harmeny when it was operated by Save the Children. The support offered to individuals can include supported visits to Harmeny, reconnecting them with important people from their time at the school, offering ongoing support and signposting to services, providing records and photographs, and participation in Harmeny's community events.

The Here4U Project Officer continues to raise awareness of the care experienced community both within Harmeny and at a national level, though internal communications and training, and by representing Harmeny at external events and conferences. This activity also raises awareness of Harmeny and organisational developments in the sector.

We received a visit from the Care Inspectorate in June 2025 and are delighted to have achieved a grade 5 (very good) for both "Children and young people feel safe, feel loved and get the most out of life" and "Leaders and staff have the capacity and resources to meet and champion children and young people's needs and rights", reflecting the amount of work that has gone into improving the service following the recommendations in made during our previous inspection in October 2024.

In October 2025, a team of inspectors from Education Scotland visited our school. During their visit they spoke to parents & carers, children & young people and worked closely with the Education staff. We received two "Good" grades in the areas of "Teaching & Learning" and "Attainment & Achievement".

Inspectors highlighted a calm and supportive learning environment, strong relationships between staff and learners, progress in developing the senior phase, and a positive culture that builds confidence and celebrates achievement. Areas for improvement include strengthening how progress is tracked and assessed and ensuring consistently high expectations so all learners are appropriately challenged.

Our young people continued to enjoy a range of vocational and outdoor learning and Developing the Young Workforce days allowing young people to be inspired by a range of skills-based opportunities. We offer access to Music, Creative Arts and Speech and Language Therapies to support our young people's needs. All our senior pupils have been accredited for Edinburgh Leisure Gym facilities through a weekly programme run by Edinburgh Leisure staff.

Our senior phase learners have been dedicating their time to their National 4 qualification courses in; English, Maths, History, Modern Studies, Music, Media, Scottish Studies.

<u>Children's rights and participation</u>

Harmeny continued to ensure that children and young people were at the heart of the organisation, through pupil council meetings, consultation with the trustees, regular opportunity to meet with a Who Cares? Scotland advocacy worker, active involvement with their care and education plans, and support in expressing their views and wishes at review meetings and Children's Hearings.

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Our pupil council have provided their views on our "Anti-Bullying Policy" and provided their suggestions for improved play facilities across the site. They have also given input into the re-design of our classroom spaces.

We also continued to invite parents, carers and other key individuals in our young people's lives to community events and to work closely with the family, friends and carers to build relationships and connection.

We continued to align our work with the UN Convention on the Rights of the Child (UNCRC) and other key legislation, along with the key messages contained in the Promise (the ten-year strategy which followed Scotland's Independent Care Review). The "Pinky Promise" has been introduced to all our young people to make them aware of what The Promise means for them and their rights.

We are really proud that one of our young people is participating in the Experts by Experience panel of Children's Hearing Scotland where they are able to express their thoughts and experience as someone who has grown up in care, providing an important voice in the Hearings process.

The Chief Executive represented the sector on two Scottish Government working parties during this period- one focusing on making sure that any Cross Border Placements are only allowed using the same vigour as those for young people from within Scotland and one developing a new Residential Care Charter of Rights.

<u>Visits</u>
We have been pleased to welcome a number of visitors to our site to showcase the work that we do, including a cohort of visitors from Japan as well as several senior civil servants from both the care and education directorates of the Scottish Government. We also hosted ex-Chief Executive Peter Doran who went on to write the Doran Report on leaving Harmeny which still shapes governmental thinking about the direction of residential childcare in Scotland in 2026.

<u>Fundraising</u>
Up to 31 March 2026, £80,775 was donated (including Gift Aid) to enhance our therapeutic support, develop our estate and provide additional activities for our young people.

Funds were also raised through an exciting climbing and abseil experience within the iconic Kelpies in May 2025. Over 30 brave supporters scaled the heights and raised over £21,000 towards the build a new bushcraft area within our grounds.

In March 2026, we launched our Play Appeal to give children and young people the therapeutic play and activity spaces they need to build confidence, develop friendships and form the foundations for learning. Funds raised from the appeal will create all-year-round inclusive spaces to play and relax across the estate for both our younger children and teenagers. It will also fund the replacement of play equipment in our much-loved adventure playground (the Venchie) which is now over 30 years old. By the end of March £4,462 had been donated, with a further £50k designated from restricted funds meaning a total of £54,462 had been pledged towards the £225,000 target. You can find out more about the Play Appeal at www.harmeny.org.uk/playappeal.

We are hugely appreciative to all who have supported Harmeny this year including The Ryvoan Trust and Ray Fernie Foundation who have helped fund our transitions and keeping-in-touch service, Harmeny Here4U; providing on-going support and connection for our former pupils.

We are also grateful to the RS McDonald Trust and Ray Fernie Foundation who have given support for our senior phase pupils to attend a leadership academy led by Columba 1400 in the first week of June 2026.

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We were very grateful to receive a grant from The Scottish Government Pupil Equity Fund, targeted towards improving children's attainment and achievement in literacy, numeracy, health and wellbeing. This has funded creative, music and speech & language therapy as well as equipment for the classrooms.

Grants and donations are included as restricted donations and legacies as disclosed in the Statement of Financial Activities.

Public Benefit

Harmeny is one of seven national grant aided schools and provides education and care to children who have complex additional support needs that cannot be met in local authority provision.

The school is open to children from the whole of Scotland. Fees are paid by referring local authorities and are subsidised by the Scottish Government in the form of an annual grant to Harmeny. The school has no private pupils.

The Trustees consider that Harmeny provides significant public benefit in addition to the contribution it gives through the school's principal objectives and activities as described above.

The children placed at Harmeny are encouraged to take up opportunities to participate in the wider community. This has included participating in the local Gala Week and the Charity Float Procession as well as the local Santa Run and community Christmas Tree Festival.

During this financial year the Head of Therapeutic Services and Head of Education gave a joint talk to the Balerno Cluster of schools about therapeutic practice and being solutions-focused when dealing with children with additional support needs. The Chief Executive also gave a talk to the P6 children at Dean Park Primary School in Balerno as part of their Skills and Prospects Week.

In June 2025, Harmeny hosted the Edinburgh Schools Mountain Bike Championships, organised by the Edinburgh Road Club and supported by the City of Edinburgh Council with sanction from British Cycling. Races took place on the trails around Harmeny grounds with four age categories and all abilities welcomed. We were delighted that Harmeny pupils were able to take part and to be able to share our space for such a positive purpose.

Harmeny also provides training for Social Work students, enabling practical placements within our care setting for students from the UK and abroad.

As a leader in the field of care and education for children with complex additional support needs, Harmeny actively contributes to improving the care and education of children in this sector by sharing experience and expertise within national working groups and through delivering presentations and workshops at national conferences. This year has seen our Heads of HR and L&D presenting to the wider charity sector about employee wellbeing and retention while the Chief Executive spoke at the Tackling Child Sexual Abuse Scotland Conference and chaired the School Inspections Scotland Conference.

In seeking to inform and influence the national debate and frameworks with regards to care and education the Chief Executive sits on the managing board of Education through Care Scotland (EtCS), is a board member of the Scottish Council for Independent Schools (SCIS) and chairs the board of Scottish Outdoor Education Centres.

The Chief Executive also appeared as an expert witness in front of the Scottish Parliamentary Education and Justice Committee. This was with regards to the Restraint and Seclusion in Education Bill.

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Volunteers

Volunteers can support Harmeny on both a regular and one-off basis throughout the year.

Our corporate volunteering programme provides opportunities for teams to dedicate a day's volunteering to Harmeny. This was supported by 17 teams from 13 companies, with 83 volunteers giving 498 hours in total over the year to help with maintenance projects within our estate and preparations for our Christmas Show.

A further 13 volunteers provided regular volunteering support in roles such as education support, gardening and governance.

We'd like to thank our longest serving volunteer, Ron Smith, who retired from his one-to-one woodwork instructor role in April 2026 having completed 40 years of volunteering over six decades. Ron has left an incredible legacy of support for generations of young people and staff through sharing his love of woodwork and supporting our fundraising campaigns.

Financial review

Going Concern

The results for the year and the Trust's financial position at the end of the year are shown in the attached financial statements. The directors are confident that the charity has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of approval of the accounts. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

During the year, the Trust reported an operational surplus of £173,611 (2025 - surplus of £164,878).

Harmeny made an overall net surplus for the year of £144,801 (2025 - net surplus of £6,200). Gain on investments in the year was £51,060 (2025 – loss of £15,804). At the year end the net funds of Harmeny were £12,450,248 (2025 £12,305,447).

Harmeny continues to work and liaise closely with local authorities across Scotland to ensure that the pupil numbers remain at capacity. Maximising income, generating additional funding and strict cost control remain a priority. Further details are provided in note 2.2.

Reserves policy

The Directors have reviewed the reserves of the Trust in the knowledge that the Scottish Government revenue maintenance grant, while continuing to be paid at a similar level as in the previous year, will be withdrawn over a number of years.

The Directors are aware that the level of financial risk the Trust is exposed to is significant due to the decrease and loss of this Grant over the coming years, along with ongoing financial pressures facing local authorities who are responsible for paying the fees for children placed at Harmeny.

The Trust is also exposed to pension risk via the closed SVSPS (non-teaching staff) pension fund. Details of the scheme deficit and the annual contributions can be found in note 13.

Given these external long-term risks, the Trustees consider it both prudent and essential to have between three to six months' unrestricted general reserves. This level of reserves would allow the Trust to take appropriate steps to reorganise Harmeny's activities to meet any major change in circumstances that it may face. These include:

- Providing a level of working capital that protects the continuity of school operations
- Providing cover for risks such as loss of income or unforeseen expenditure
- Providing a level of funding for opportunities or developments

- Providing a level of funding to underpin longer term commitments

Having reviewed the above criteria, alongside the external risks, the current strategy and business plan, the Trustees believe that in 2025-26 the current level of unrestricted general reserves, equating to approximately 4 months of current operational running costs, are sufficient to cover any such eventualities.

The total reserves at 31 March 2026 are £12,450,248 (2025 - £12,305,447).

Total reserves less restricted reserves of £192,719 (2025 - £210,147), less endowment fund of £38,401 (2025 - £38,401), less designated Margery Browning legacy £38,524 (2025 - £38,524), less designated 15+ fund of £1,375,583 (2025 - £175,583) less net book value of fixed assets of £7,369,294 (2025 - £7,656,803) results in free reserves (including the pension reserve) of £3,435,727 (2025 - £4,185,989).

Investments

Harmeny has an investment portfolio which is managed by Rathbones Investment Management.

The portfolio is managed at a medium risk level. In practice this means that there is a spread of equity and pooled funds covering various markets, sectors and asset classes subject to certain restrictions that the Board have placed on the investment managers.

During the year, the value of investments has increased from £815,172 to £881,198 at 31 March 2026.

The movement in the year represents net additions to the portfolio in the year totalling £14,966 (2025 – net additions of £16,698) and an unrealised gain of £51,060 (2025 – loss of £15,804).

All investment income is re-invested in the portfolio to maximise future growth.

The Board receives regular reports from the investment managers and are satisfied with the performance of the portfolio during 2025-26 taking into account the general performance of the market.

The value of the investment portfolio has increased since the end of the financial year, and at 30 June 2026 was valued at £921,812.

Structure, governance and management

Constitution

Harmeny Education Trust Limited is registered as a charitable company limited by guarantee and governed by a Memorandum and Articles of Association.

Setting pay and remuneration

The remuneration of key management personnel is reviewed on an annual basis and is benchmarked against the pay scales and increases set by the Scottish Joint Council for Local Government Employees and the Scottish Negotiating Committee for Teachers. This is also the case with regards to all other Harmeny employees.

Methods of appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Harmeny Education Trust Limited is a company limited by guarantee and does not have a share capital. The governing documents are the Trust's Memorandum and Articles of Association, and in November 2022, a detailed review of the Articles was concluded. As a result, a new set of Articles was approved by the Trustees in March, submitted to OSCR and approved by them in June 2023.

The Trustees are chosen for appointment following a robust recruitment process with reference to their experience and ability to contribute to the work of the charity. The Board meets regularly and has appointed the following sub committees covering the principal aspects of the Trust's operation:

- Business Group, chaired by Gareth Gettinby, Trustee
- Policy and Practice Group, chaired by John Halliday, Trustee

The day to day running of the charity is managed by the Chief Executive and the senior leadership team (as detailed on page 1).

Succession planning and the recruitment process of Trustees are very thorough and focus on required skill sets. An induction pack is provided for new Trustees and an induction programme is provided, which includes an overview of the operational and strategic elements of the organisation as well as meetings with key staff. The induction programme may include additional elements which are tailored to the needs of the new Board member.

The Board continuously reviews the blend of skills and experience of Trustees relevant to the charity's core services. A matrix of skills is therefore regularly reviewed to ensure Trustees hold operational and strategic knowledge, skills and experience at a senior level across the following areas: education, care, governance, finance, fundraising, legal, buildings and estates, health and safety, HR and learning and development, and digital transformation.

The Trustees, none of whom has a beneficial interest in Harmeny, who served during the year are:
Jennifer Scott, Chair
Rachel Caughey
Gareth Gettinby
John Halliday
Scott O'Hagan
Sarah Summers
Anna Vaughan (resigned 26 February 2026)
Walter Wood
Alice Wadkin (appointed 11 September 2025)
Lindsay Linton (appointed 22 May 2025; resigned 02 February 2026)

On 01 May 2026, Jennifer Scott completed her term as Chair of the Board and is replaced by Sarah Summers. The Trustees extend their thanks to Jennifer for her dedication and service to Harmeny throughout her term as Chair. Jennifer will remain on the Board as a Trustee.

Risk assessment and management

The Trustees give high priority to evaluating the risks to which the charity is exposed and ensuring that there are effective systems in place to mitigate those risks. The charity's risk register is reviewed by the Board annually or as high priority risks emerge.

The Board has conducted its annual review of the major risks to which the charity is exposed along with the associated actions, procedures and contingency plans put in place to mitigate those risks and is satisfied with the management of those risks.

Some of Harmeny's key risks are set out below:

Funding
As a Grant Aided Special School, we receive funding from the Scottish Government (SG), however that funding will be withdrawn by March 2029. This is a significant part of our income, and a key part of our strategy for the is planning how we remain sustainable beyond the withdrawal of this grant. There is a risk that we cannot negotiate sufficient increase in fees to meet our rising costs and the reduction in funding from SG. This in turn could impact on our reserves and cashflow.

The fee income for pupils placed at Harmeny is paid by Local Authorities, and fee rates are negotiated annually as part of a framework agreement. Our planning is considering negotiations of fee rates, diversification of income and focusing on keeping our costs as low as possible. We are also working with the other GASS schools to demonstrate our collective impact and to showcase the positive outcomes of the GASS funding.

We have a robust budget and planning process in place to support requests for fee uplifts and maintain an appropriate level of reserves to support any short-term shortfall in funding.

Capacity
Our budget model relies on an assumption that we reach a certain capacity of children and young people. Any variances in capacity, which often happen at short notice, can have a significant impact on our income. There is a risk that unplanned movements out of the service have a material impact on our financial position. Cost pressures on Local Authorities mean that securing referrals into the service can be challenging.

To mitigate this, we have a referrals team that remain responsive to enquiries for new admissions and have a robust process to quickly assess the matching potential of any referral before proceeding. We actively market our services to key individuals across all local authorities and attend and/or sponsor key sector events to engage with decision-makers across Scotland.

The Trustees receive regular updates on our pupil capacity and the financial impact of any moves in or out of the service in order to maintain an active oversight.

Information security and cyber crime
As with any organisation we are vulnerable to data breaches which have the potential to cause financial loss, harm the delivery of our work, the children and young people in our care and our staff. A data breach could also result in a loss of confidence from our funders and regulators and result in reputational damage. There is also the risk of fines or penalties from the ICO as well as claims from employees or former pupils over loss of data. We have a robust set of technical controls to meet the evolving threat from cybercriminals and are working towards a Cyber Essentials accreditation to ensure our policy and practice meets the best possible standard.

Recruitment and retention of staff
Over the last few years, the care sector as a whole has faced a staffing crisis. Whilst this has stabilised for Harmeny over the last couple of years, we continue to assess how to improve our staff experience. During the year we have implemented a new staff rota and taken steps to enhance our staff engagement through surveys and consultation on key areas of work. We have also introduced staff psychotherapists to support team members to reflect on their work and build resilience around their practice.

Scottish Child Abuse Inquiry
As noted above, Harmeny appeared as part of the Phase 9 case study, alongside many other organisations, at the Scottish Child Abuse Inquiry. Since receiving notice of being called in September 2018, Harmeny has been highly supportive of the work of Lady Smith and her team as they seek to understand and publish learnings

relating to young people who were in residential care up to December 2014. A thoroughly prepared formal response, first submitted in September 2019 and then amended in 2025, formed the basis of the evidence presented on Harmeny's behalf and the Chief Executive appeared before the Inquiry in August of 2025.

In Harmeny's opening and closing submissions to the Inquiry, as well as in the testimony given, Harmeny promised to learn from the anticipated report and recommendations that Lady Smith will make in due course. It also acknowledged that there had been incidents of historical child abuse at Harmeny and therefore that it wished to express its deep contrition and to offer an apology to all those affected by this.

Prior to the publication of the report, there remains a risk of reputational and/or financial damage to the organisation.

In October 2022 the Trustees agreed that Harmeny should become a participant of the Redress scheme as a part of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act. Participation is on a defined (capped overall payment) basis, with the organisation joining the scheme on 8 February 2023. The Scottish Government (SG) advised that the cost of participating in the scheme on a defined basis for Harmeny would be £70k in total, with seven annual payments of £10,000 from 2023 to 2029.

The risks associated with joining the scheme include: financial, in respect of the funds being required over a seven-year period; and reputational, through potential adverse publicity.

For managing reputational risk, we engage a communications consultant to ensure swift and appropriate messaging around any claims that are made public.

<u>Safeguarding/child protection</u>
Given the complex needs and the life histories of the young people at Harmeny, child protection and safeguarding are given a very high profile in the organisation. There are robust child protection policies and procedures which have been approved by the Board. The Harmeny Social Worker works closely with the Lead Child Protection Officers in ensuring that systems are robust in handling disclosures of previous abuse and also any current allegations. Statistical analysis is provided for every meeting of the Board of Trustees. All staff are trained at or above the level that would normally be considered appropriate depending on their roles.

In recent years, we have seen an increase in child protection concerns relating to 'technologically facilitated abuse' among our older young people. In response to this we worked with legal counsel to develop a safe use policy to go alongside an updated risk assessment. This risk assessment helps us to understand the challenges around keeping our young people safe online and guides decisions on appropriate levels of access to apps and devices that our staff can follow to ensure a clear and consistent approach.

<u>Financial controls</u>
Financial crime (either perpetrated by a third party or Harmeny staff member) could result in a loss of funds, inflated costs or loss of assets. There is also a risk that such crime or fraud could result in harm to our staff, children and our reputation. We have policies and procedures in place to address this risk and are working to improve our systems, processes and capabilities in this area.

<u>Pensions</u>
Until it closed in 2010, Harmeny was a part of the Scottish Voluntary Sector Pension Scheme (SVSPS) for nonteaching staff. The scheme closed with a considerable deficit which has been paid off in instalments up until May 2024.

Whilst the deficit has now been cleared there is a risk that future valuations of the scheme result in further liabilities. In addition, the scheme operated on a 'last man standing' basis which means that the share of any deficit that cannot be met by defaulting employers will be passed on to those employers remaining in the scheme.

Harmeny will continue to accrue for a potential liability to ensure we are able to manage any deficits that may arise as a result of future valuations.

Harmeny also contributes to the Scottish Teachers' Pension Scheme (STPS). This scheme is an unfunded, defined benefit meaning that contributions being paid into the scheme now are used to fund current retirees. During this financial year the employer contributions were 26%.

There is a risk that the costs of the pension scheme could increase as a result of increased life expectancy, inflation causing final salaries to increase, fewer members contributing to the scheme as a result of teachers leaving the profession and the withdrawal of Independent Schools from the scheme.

The Trustees keep our ongoing participation in the scheme under review.

Regulatory risk

Harmeny works in a heavily regulated sector, reporting to the Care Inspectorate, Education Scotland, Office for Scottish Charity Regulator as well as those Local Authorities who place pupils with us and other funders, including the Scottish Government.

There is a risk of non-compliance with the requirements of any of these stakeholders which could result in financial sanctions, reputational damage and potentially damage our ability to continue delivering our services.

Harmeny has several working groups to monitor service delivery and address outcomes of inspection reports, as well as robust quality assurance systems in place. The Trustees maintain oversight of key areas through a Policy and Practice Group for operational matters and Business Group for financial and personnel matters. There is a range of skills among the Trustees to provide appropriate support across all regulated areas.

Other Risks

Other risks, as assessed by the Trustees, relate to health and safety, managing organisational change and investment performance.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Dains Audit (Scotland) Limited has indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at the charity's AGM.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Sarah Summers

Sarah Summers
Trustee
03 September 2026

Harmeny

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARMENY EDUCATION TRUST LIMITED

Opinion

We have audited the financial statements of Harmeny Education Trust Limited (the 'charity') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2026 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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' (who are also the directors of the company for company law purposes) 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 charitable company'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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and management and from our knowledge of the regulatory environment relevant to the company.
- We assessed the extent of compliance with laws and regulations through making enquiries of management and inspecting legal correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud.
- To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in

determining the accounting estimates were indicative of potential bias and we investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Thomson

Brian Thomson BA(Hons) CA (Senior Statutory Auditor)
for and on behalf of Dains Audit (Scotland) Limited

Chartered Accountants
Statutory Auditor
Scotland
G2 2LB

08 September 2026

Dains Audit (Scotland) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Harmeny

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2026

	Note	Unrestricted Funds 2026 £	Restricted Funds 2026 £	Endowment funds 2026 £	Total funds 2026 £	Total funds 2025 £
Income and endowments from:						
Donations and legacies	4	1,155,582	109,589	-	1,265,171	*1,263,449*
Charitable activities	5	8,627,167	-	-	8,627,167	*7,724,909*
Investments	6	108,461	2,018	-	110,479	*120,290*
Total income and endowments		9,891,210	111,607	-	10,002,817	*9,108,648*
Expenditure on:						
Raising funds	7	128,620	21	-	128,641	*139,362*
Charitable activities	8	9,592,150	108,415	-	9,700,565	*8,804,408*
Total expenditure		9,720,770	108,436	-	9,829,206	*8,943,770*
Net income before net gains/(losses) on investments		170,440	3,171	-	173,611	*164,878*
Net gains/(losses) on investments	21	51,060	-	-	51,060	*(15,804)*
Net income		221,500	3,171	-	224,671	*149,074*
Transfers between funds	21	20,600	(20,600)	-	-	*-*
Net movement in funds before other recognised gains/(losses)		242,100	(17,429)	-	224,671	*149,074*
Other recognised gains/(losses):						
Other (losses)/gains	21	(79,870)	-	-	(79,870)	*(142,874)*
Net movement in funds		162,230	(17,429)	-	144,801	*6,200*
Reconciliation of funds:						
Total funds brought forward		12,056,899	210,147	38,401	12,305,447	*12,299,247*
Net movement in funds		162,230	(17,429)	-	144,801	*6,200*
Total funds carried forward	21	12,219,129	192,718	38,401	12,450,248	*12,305,447*

The operating surplus before investment gains and losses was £173,612 (2025 - operating surplus £164,878).

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 43 form part of these financial statements.

Harmeny

BALANCE SHEET AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Fixed assets			
Tangible assets	14	7,369,294	*7,656,803*
Investments	15	881,198	*815,172*
		8,250,492	*8,471,975*
Current assets			
Stocks	16	2,763	*4,049*
Debtors	17	1,127,267	*990,703*
Investments	18	543,657	*523,250*
Cash at bank and in hand	25	3,350,218	*3,019,665*
		5,023,905	*4,537,667*
Creditors: amounts falling due within one year	19	(804,149)	*(674,195)*
Net current assets		4,219,756	*3,863,472*
Total assets less current liabilities		12,470,248	*12,335,447*
Creditors: amounts falling due after more than one year	20	(20,000)	*(30,000)*
Net assets excluding pension liability		12,450,248	*12,305,449*
Defined benefit pension scheme liability	13	-	-
Total net assets		12,450,248	*12,305,449*
Charity funds			
Endowment funds	21	38,401	*38,401*
Restricted funds	21	192,718	*210,147*
Unrestricted funds	21	12,219,129	*12,056,899*
Total funds		12,450,248	*12,305,447*

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Sarah Summers

Sarah Summers
Trustee
Date: 09/09/2026

The notes on pages 20 to 43 form part of these financial statements.

Harmeny

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
Cash flows from operating activities			
Net cash from operating activities	24	352,958	*(16,326)*
Cash flows from investing activities			
Dividends, interests and rents from investments		110,479	*120,290*
Purchase of tangible fixed assets	14	(97,468)	*(123,053)*
Proceeds from sale of investments	15	2,810,592	*1,869,175*
Purchase of investments	15	(2,825,601)	*(1,885,873)*
Net cash used in investing activities		(1,998)	*(19,461)*
Cash flows from financing activities		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		350,960	*(35,787)*
Cash and cash equivalents at the beginning of the year		3,542,915	*3,578,702*
Cash and cash equivalents at the end of the year	25	3,893,875	*3,542,915*

The notes on pages 20 to 43 form part of these financial statements

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. General information

The Trust is a charitable company limited by guarantee, incorporated in the UK and registered in Scotland (Company No. SC162021) and is a registered Scottish Charity (Charity No. SC024256). The registered office is Harmeny School, Mansfield Road, Balerno, Midlothian, EH14 7JY.

The members of the Trust are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Accounts Scotland Regulations 2006 (as amended) and the Companies Act 2006.

Harmeny Education Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The charity's activities and principal risks are described in the Trustees report. The Trustees have considered forecast results for the school taking into account the current economic uncertainties. The school continued to operate effectively throughout the year and continued to receive the support of Government funding. The pupil numbers have been and are expected to remain stable. The school has maintained its free reserves in line with its reserves policy backed by liquid assets of cash and an investment portfolio which can be used to support the school's activities if required. The school has reviewed its cost base to ensure it continues to operate efficiently and will continue to do so. Taking the above factors into account, the trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due and to continue in operational existence for the foreseeable future and for at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Consolidation

The Trust is the parent undertaking of a group which only includes one dormant subsidiary and has therefore taken an exemption from preparing consolidated accounts. These financial statements therefore present information about the Trust as an individual undertaking and not about its group.

2.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants receivable are recognised as incoming resources when the conditions for their receipt have been satisfied. Grants received for specific purposes are accounted for as restricted funds. Any grants restricted to future accounting periods are deferred and recognised in the period to which they relate. Grants for capital projects are credited to a separate restricted fund.

Local Authority fees represent the amounts receivable against the school's net costs for the period and relative to the school's academic year.

Investment income is recognised in the Statement of Financial Activities in the year it is receivable.

Interest receivable relates to interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Donated services or facilities are recognised when the Trust has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Trust of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and reference can be made to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Trust which is the amount the Trust would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

Expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for the expenditure.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Support costs include the central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources, learning and development and fundraising. Direct costs are those costs incurred directly in support of expenditure on the objects of the Trust and include project management work carried out at Headquarters.

Governance costs are the costs associated with the governance arrangements of the charity and are related to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit, legal advice for trustees and costs associated with constitutional and statutory requirements. Included within this category are any costs associated with the strategic as opposed to day-to-day management of the charity's activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Trust's objectives, as well as any associated support costs.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

2.7 Tangible fixed assets and depreciation

On incorporation, the charity was gifted the land and existing property at Harmeny School on the condition that should the asset cease to be used for the purposes of Special Needs Education, the property would revert to Save the Children.

The original cost of the asset is not available and only costs incurred by the predecessor organisation, Harmeny School, were capitalised on incorporation.

Since incorporation all additions and improvements to land and buildings have been included at cost. All assets costing more than £2,500 are capitalised.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Heritable property	- 2% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line
Assets under construction	- Not depreciated

2.8 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes net gains and losses on revaluation and disposals throughout the year.

Investments held as fixed assets are shown at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.10 Debtors

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

2.11 Current asset investments

Current asset investments include cash deposits held for investment purposes with a maturity date more than 3 months after the date of acquisition.

2.12 Cash at bank and in hand

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

2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2.14 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.15 Pensions

The Trust contributes to the Scottish Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator.

The Trust is also part of the now-closed Scottish Voluntary Sector Pension Scheme (SVSPS) defined benefit scheme, which is a multi-employer scheme for non-teaching staff. Until May 2024 the Trust was contributing to the deficit which was calculated by the Scheme Actuaries. Payments towards the deficit are included in the Statement of Financial Activities.

In both of these pension schemes it is not possible for the charity to obtain sufficient information to enable it to account for the schemes as defined benefit schemes therefore they are treated for accounting purposes as defined contribution schemes.

Contributions to both schemes are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent the book value of property and other assets acquired by the charity on the date of incorporation in December 1995.

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

2.17 Operating leases: the Trust as a lessee

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

2.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless these costs are required to be recognised as part of the cost of specific fixed assets.

The cost of unused holiday entitlement is recognised in the period when the employee's services are recovered.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Critical accounting estimates and areas of judgement

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 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:

(i) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical conditions of the assets. See note 15 for carrying amounts of tangible assets.

(ii) Defined benefit pension scheme
The charity operates both a defined benefit pension scheme providing benefits based on the final pensionable earnings and a defined contribution scheme. The determination of any pension scheme surplus/deficit is based on assumptions determined with independent actuarial advice. The assumptions used include discount rate, inflation, pension increases, salary increases, the expected return on scheme assets, and mortality assumptions. Refer to note 14 for details of post-retirement benefits.

4. Income from donations and legacies

	Unrestricted Funds 2026 £	Restricted Funds 2026 £	Total funds 2026 £	Total funds 2025 £
Donations	22,409	58,364	80,773	*128,227*
Government grants	1,133,173	51,225	1,184,398	*1,135,222*
	1,155,582	109,589	1,265,171	*1,263,449*
Total 2025	*1,130,072*	*133,377*	*1,263,449*	

5. Income from charitable activities

	Unrestricted Funds 2026 £	Total funds 2026 £	Total funds 2025 £
Local authority fees	8,622,267	8,622,267	*7,724,649*
Other	4,900	4,900	*260*
	8,627,167	8,627,167	*7,724,909*
Total 2025	*7,724,909*	*7,724,909*	

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

6. Investment income

	Unrestricted Funds 2026 £	Restricted Funds 2026 £	Total funds 2026 £	Total funds 2025 £
Dividends	85,122	2,018	87,140	22,839
Bank interest	23,339	-	23,339	97,451
	108,461	2,018	110,479	120,290
Total 2025	*120,290*	-	*120,290*	

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted Funds 2026 £	Restricted Funds 2026 £	Total funds 2026 £	Total funds 2025 £
Fundraisers' costs	120,785	21	120,806	*131,996*
Investment management fees	7,835	-	7,835	*7,366*
	128,620	21	128,641	*139,362*
Total 2025	*139,362*	-	*139,362*	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted Funds 2026 £	Restricted Funds 2026 £	Total 2026 £	Total 2025 £
Harmeny School	9,592,150	108,415	9,700,565	8,804,408
Total 2025	*8,715,038*	*89,370*	*8,804,408*	

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. Analysis of expenditure on charitable activities by activity

	Activities undertaken directly 2026 £	Support Costs 2026 £	Total funds 2026 £	Total funds 2025 £
Harmeny School	9,292,021	408,544	9,700,565	*8,804,408*
Total 2025	*8,323,799*	*480,609*	*8,804,408*	

Analysis of direct costs

	Harmeny School 2026 £	Total funds 2026 £	Total funds 2025 £
Staff costs	7,555,708	7,555,708	*6,680,931*
Depreciation	300,404	300,404	*302,931*
Consumables	224,119	224,119	*188,246*
Operating charges	1,211,790	1,211,790	*1,151,691*
	9,292,021	9,292,021	*8,323,799*
Total 2025	*8,323,799*	*8,323,799*	

Analysis of support costs

	Harmeny School 2026 £	Total funds 2026 £	Total funds 2025 £
Staff costs	329,758	329,758	*312,024*
Professional fees	1,981	1,981	*25,697*
Governance costs	76,805	76,805	*142,888*
	408,544	408,544	*480,609*
Total 2025	*480,609*	*480,609*	

10. Auditor's remuneration

	2026 £	2025 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	15,600	*15,600*

11. Staff costs

	2026 £	2025 £
Wages and salaries	6,453,570	*5,882,536*
Social security costs	778,978	*564,594*
Pension contributions	769,556	*663,558*
	8,002,104	*7,110,688*

In addition to the above noted pension costs the charity has made pension deficit contributions of £0 (2025 - £18,410) which have been offset against the liability provided within the financial statements during the year.

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

	2026 £	2025 £
Education staff	39	*37*
Care staff	120	*115*
Domestic staff	18	*17*
Administrative staff	22	*23*
Estate staff	6	*6*
	205	*198*

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

	2026 £	2025 £
In the band £60,001 - £70,000	2	*1*
In the band £70,001 - £80,000	3	*4*
In the band £80,001 - £90,000	2	*1*
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	*1*
	8	*7*

Total pension costs to higher paid employees amounted to £106,132 (2025 - £87,746) in the year.

During the financial year, the total remuneration (inclusive of employers national insurance and pension contributions) for Key Management Personnel comprising the Chief Executive, Head of Care, Head of Education, Head of Finance, Head of HR and Therapies Manager was £559,977 (2025 - £529,686).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2025 - £NIL).

Transactions with Trustees

During the year, there were no related party transactions (2025 - £Nil).

During the year ended 31 March 2026 no expenses were reimbursed or paid directly to Trustees (2025 - £nil).

Amounts due to Trustees at 31 March 2026 amounted to £nil (2025 - £nil).

13. Pensions

Teaching Staff - The Scottish Teachers Pension Scheme

Harmeny Education Trust Limited participates in the Scottish Teachers' Pension Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary as at 31 March 2020. This valuation sets the contribution rates for the period from 01 April 2024 to 31 March 2027.

Harmeny Education Trust Limited has no liability for other employers' obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where Harmeny Education Trust Limited is unable to identify its share of the underlying assets and liabilities on the scheme.

The employer contribution rate for the period from 1 April 2021 is 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay.

The most recent actuarial valuation as at 31 March 2020 informed an increase in employer contribution rate to 26% from 01 April 2024. The employee contribution rate is variable and is anticipated to provide a yield of 9.6% of pensionable pay. This will remain in place until 01 April 2027.

Non-Teaching Staff – Scheme: The Pensions Trust Scottish Voluntary Sector Pension Scheme

The Trust participates in the scheme, a multi-employer scheme which provides benefits to some 77 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Trust is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2023. This actuarial valuation was certified on 27 June 2024 and showed assets of £86.2m, liabilities of £88.2m and a deficit of £2.0m. From 1 June 2024 the majority of employers no longer pay deficit contributions.

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 28 February 2034.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 May 2024:	**£1,473,969 per annum** **(payable monthly and increasing by 3% each on 1st April)**

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the Trust has agreed to a deficit funding arrangement the Trust recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	31 March 2026 (£s)	31 March 2025 (£s)	31 March 2024 (£s)
Present value of provision	-	-	18,410

PRESENT VALUES OF PROVISION

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2026 (£s)	Period Ending 31 March 2025 (£s)
Provision at start of period	-	18,410
Unwinding of the discount factor (interest expense)	-	36
Deficit contribution paid	-	(18,446)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	-	-

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2026 (£s)	Period Ending 31 March 2025 (£s)
Interest expense	-	36
Remeasurements – impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2026 % per annum	31 March 2025 % per annum	31 March 2024 % per annum
Rate of discount	5.14	4.98	4.90

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Debt on Withdrawal

Harmeny School's estimated debt on withdrawal as at 30 September 2025 was £1,009,054.

Defined Contribution Scheme

A new scheme was provided for non-teaching staff with effect from 1 April 2010. The scheme is a defined contribution scheme, which will accumulate no further risk or liability for Harmeny Education Trust Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

14. Tangible fixed assets

	Heritable Property £	Plant and Machinery £	Motor Vehicles £	Fixtures and Fittings £	Computer Equipment £	Assets Under Construction £	Total £
Cost or valuation							
At 1 April 2025	8,565,752	145,098	173,718	467,719	91,783	-	9,444,070
Additions	-	14,549	24,654	32,312	-	26,487	98,002
Disposals	(115,168)	-	-	(17,648)	(13,641)	-	(146,457)
Transfers between classes	-	-	-	-	-	-	-
At 31 March 2026	8,450,584	159,647	198,372	482,383	78,142	26,487	9,395,615
Depreciation							
At 1 April 2025	1,238,998	65,620	78,028	329,775	74,846	-	1,787,267
Charge for the year	159,545	34,069	39,618	59,587	7,585	-	300,404
On disposals	(31,021)	-	-	(17,648)	(12,681)	-	(61,350)
At 31 March 2026	1,367,522	99,689	117,646	371,714	69,750	-	2,026,321
Net book value							
At 31 March 2026	7,083,062	59,958	80,726	110,669	8,392	26,487	7,369,294
At 31 March 2025	*7,326,754*	*79,478*	*95,690*	*137,944*	*16,937*	-	*7,656,803*

Save the Children, who previously ran Harmeny School, had been granted a Standard Security over the whole of the heritable property transferred to the Trust on 21 December 1995. This Standard Security was discharged in previous years.

The Trust owns the original main building and lodge house, which are both listed. These properties were included in the gift of land and buildings by Save The Children when the Trust was incorporated in 1995. The value of the assets taken over at that date was recorded as £35,734 in the records of the previous organisation, Harmeny School, and this figure has been included as cost in the balance sheet and the value has been credited to the Endowment Fund. Heritable Property is insured for £19,224,990 which is an estimate of replacement cost and which excludes Value Added Tax.

The proceeds from heritable property, if sold, can only be applied to further the objectives of the school. Otherwise Save the Children may require consideration to be paid in exchange for their consent to the disposals.

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

15. Fixed asset investments

	Listed Securities £	Unlisted securities £	Trade investments £	Total £
Market value				
At 1 April 2025	791,987	23,183	2	815,172
Additions	294,876	2,530,716	-	2,825,592
Disposals	(273,155)	(2,537,471)	-	(2,810,626)
Revaluations	51,060	-	-	51,060
At 31 March 2026	864,768	16,428	2	881,198

	Listed Securities £	Unlisted Securities £	Total £
Historical cost	793,835	16,169	810,004

16. Stocks

	2026 £	2025 £
Kitchen consumables	2,763	4,049

17. Debtors

	2026 £	2025 £
Due within one year		
Trade debtors	953,714	*905,186*
Other debtors	122	*8,371*
Prepayments and accrued income	173,431	*77,146*
	1,127,267	*990,703*

18. Current asset investments

	2026 £	2025 £
Term deposits	543,657	*523,250*

Harmeny

19. Creditors: Amounts falling due within one year

	2026	2025
	£	£
Trade creditors	228,986	*141,066*
Amounts owed to group undertakings	2	*2*
Other taxation and social security	205,445	*164,439*
Pension creditor	40,533	*57,938*
Other creditors	13,885	*13,701*
Accruals and deferred income	315,298	*297,049*
	804,149	*674,195*

20. Creditors: Amounts falling due after more than one year

	2026	2025
	£	£
Other creditors	20,000	*30,000*

Harmeny

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2025	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2026 £
Unrestricted funds						
Designated funds						
Capital Fund	5,336,898	-	(158,758)	(57,072)	-	5,121,068
Margery Browning Legacy Fund	38,524	-	-	-	-	38,524
15+ Service / estate developments	175,583	-	-	1,200,000	-	1,375,583
	5,551,005	-	(158,758)	1,142,928	-	6,535,175
General funds						
General Funds - all funds	5,264,011	9,891,210	(9,562,012)	(1,178,983)	(79,870)	4,334,356
Revaluation Reserve - Investment	1,822	-	-	-	51,060	52,882
Pension Reserve	56,589	-	-	87,000	-	143,589
Revaluation Reserve - Property	1,183,472	-	-	(30,345)	-	1,153,127
	6,505,894	9,891,210	(9,562,012)	(1,122,328)	(28,810)	5,683,954
Total Unrestricted funds	12,056,899	9,891,210	(9,720,770)	20,600	(28,810)	**12,219,129**

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Endowment funds						
Permanent Endowment Funds	38,401	-	-	-	-	38,401
Restricted funds						
HERE4U Project Fund	6,906	55,920	(60,877)	-	-	**1,949**
Pupil Equity Fund	24,884	30,625	(35,004)	-	-	**20,505**
Scottish Government - Capital Grant	-	20,600	-	(20,600)	-	**-**
Anonymous Donation	165,464	-	-	(50,000)	-	**115,464**
Vehicle	12,893	-	(12,534)	-	-	**359**
Play Appeal fund	-	4,462	(21)	50,000	-	**54,441**
	210,147	111,607	(108,436)	(20,600)	-	**192,718**
Total of funds	12,305,447	10,002,817	(9,829,206)	-	(28,810)	**12,450,248**

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Statement of funds - prior year

	Balance at 1 April 2024	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds						
Designated funds						
Capital Fund	5,592,418	-	(185,300)	(70,220)	-	5,336,898
Margery Browning Legacy Fund	38,524	-	-	-	-	38,524
Learning for Life Appeal Fund	175,583	-	-	(175,583)	-	-
15+ Service	-	-	-	175,583	-	175,583
	5,806,525	-	(185,300)	(70,220)	-	5,551,005
General funds						
General Funds - all funds	5,002,496	8,975,271	(8,811,974)	98,218	-	5,264,011
Revaluation Reserve - Investment	17,626	-	-	-	(15,804)	1,822
Pension Reserve	(18,411)	-	-	75,000	-	56,589
Revaluation Reserve - Property	1,213,817	-	-	(30,345)	-	1,183,472
	6,215,528	8,975,271	(8,811,974)	142,873	(15,804)	6,505,894
Total Unrestricted funds	12,022,053	8,975,271	(8,997,274)	72,653	(15,804)	12,056,899

Harmeny

Endowment funds						
Permanent Endowment Funds	38,401	-	-	-	-	38,401
Restricted funds						
HERE4U Project Fund	28,814	32,152	(54,060)	-	-	6,906
Pupil Equity Fund	18,570	30,625	(24,311)	-	-	24,884
Scottish Government - Capital Grant	-	20,600	-	(20,600)	-	-
SG Covid 19 & Wellbeing Fund	240	-	(240)	-	-	-
Anonymous Donation	165,464	-	-	-	-	165,464
LFLA – Fixtures & Fittings	25,705	-	(9,250)	(16,455)	-	-
Vehicle	-	50,000	(1,509)	(35,598)	-	12,893
	238,793	133,377	(89,370)	(72,653)	-	210,147
Total of funds	12,299,247	9,108,648	(9,086,644)	-	(15,804)	12,305,447

22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2025	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2026 £
Designated funds	5,551,005	-	(158,758)	1,142,928	-	6,535,175
General funds	6,505,894	9,891,210	(9,562,012)	(1,122,328)	(28,810)	5,683,954
Endowment funds	38,401	-	-	-	-	38,401
Restricted funds	210,147	111,607	(108,436)	(20,600)	-	192,718
	12,305,447	10,002,817	(9,829,206)	-	(28,810)	12,450,248

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Summary of funds - prior year

	Balance at 1 April 2024	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Designated funds	5,806,525	-	(185,300)	(70,220)	-	5,551,005
General funds	6,215,528	8,975,271	(8,811,975)	142,874	(15,804)	6,505,894
Endowment funds	38,401	-	-	-	-	38,401
Restricted funds	238,793	133,377	(89,370)	(72,653)	-	210,147
	12,299,247	9,108,648	(9,086,645)	-	(15,804)	12,305,447

Designated funds

Capital Fund

This fund represents the net book value of tangible fixed assets which were funded through restricted income received and transferred into this fund when the restriction had been fully discharged. Depreciation incurred in respect of these tangible fixed assets is allocated to this fund during the year. During the year, transfers have been made into this fund in respect of capital expenditure (net of the current year depreciation) incurred relating to the Learning for Life Appeal, Learning Hub fixtures & fittings and Scottish Government Capital grant restricted funds.

15+ Fund / estate developments

This fund represents monies set aside by the Trustees towards development of our estate, in particular for supporting young people as they move towards more independent living. During the year the Trustees designated a further £1.2m into this fund to reflect the ambitions for development across the estate in the coming years.

Margery Browning Legacy Fund

This fund represents a legacy left behind by Margery Browning, £300,000 of which has been allocated to the Learning for Life Appeal in earlier years, with the remaining £38,524 still to be used for another purpose.

Endowment Funds

Permanent Endowment Fund

This fund relates to the property and other assets acquired on the date of incorporation in December 1995.

Restricted Funds

Scottish Government - Capital Grant

Harmeny

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

This grant is given to deliver capital improvements which support children and young people with additional support needs overcome their barriers to learning and realise their potential. The funds were fully spent during the year and this expenditure was accounted for within tangible fixed assets. At the year end, the net book value of these assets was transferred to the Capital Fund.

Pupil Equity Fund

A grant in connection with the Scottish Attainment Challenge Pupil Equity Funding. The funding is towards activities, interventions and resources, across five initiatives, targeting a reduction in the poverty related attainment gap, through supporting children to improve their educational outcomes in relation to all three core areas of the curriculum: literacy, numeracy and health and wellbeing.

Anonymous donation

This fund was a donation from a private donor to help with the overall Acorn project particularly surrounding the finalising of the current phase of the project and also getting the next phase operational. During the year it was agreed that £50,000 should be allocated to the Play appeal fund.

HERE4U Project Fund

To enhance and expand Harmeny's support for young people aged up to 25 during and after a placement transition, and to establish a support network for former pupils to continue to engage with Harmeny and each other. During the year we received funding from the Ryvoan Trust and Ray Fernie foundation and put expenditure towards salaries and ongoing costs of running the service.

Vehicle

In the prior year we received a donation of £50,000 towards a replacement vehicle for our minibus. During the current year we have put remaining funds towards servicing and insurance costs.

Play Appeal Fund

During the year Harmeny launched an appeal to support us with the upgrades required to our play equipment, including replacement of the much-loved Venchie. The target for the appeal is £225,000.

Harmeny

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2026 £	Restricted funds 2026 £	Endowment funds 2026 £	Total funds 2026 £
Tangible fixed assets	7,330,893	-	38,401	7,369,294
Fixed asset investments	881,198	-	-	881,198
Current assets	4,831,187	192,718	-	5,023,905
Creditors due within one year	(804,149)	-	-	(804,149)
Creditors due in more than one year	(20,000)	-	-	(20,000)
Provisions for liabilities and charges	-	-	-	-
Total	12,219,129	192,718	38,401	12,450,248

Analysis of net assets between funds - prior period

	Unrestricted funds 2025 £	*Restricted funds 2025 £*	*Endowment funds 2025 £*	Total funds 2025 £
Tangible fixed assets	*7,618,400*	-	*38,401*	7,656,801
Fixed asset investments	*815,172*	-		815,172
Current assets	*4,327,520*	*210,147*	-	4,537,667
Creditors due within one year	*(674,193)*	-	-	(674,193)
Creditors due in more than one year	*(30,000)*	-	-	(30,000)
Provisions for liabilities and charges	-	-	-	-
Total	*12,056,899*	*210,147*	*38,401*	12,305,447

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2026 £	2025 £
Net income for the period (as per Statement of Financial Activities)	224,671	149,075
Adjustments for:		
Depreciation charges	300,404	302,931
Gains on investments	(51,060)	15,866
Dividends, interests and rents from investments	(110,479)	(120,290)
Decrease/(increase) in stocks	1,286	(1,531)
(Increase)/decrease in debtors	(136,561)	(463,879)
Increase/(decrease) in creditors	124,697	119,912
Defined benefit pension - unwinding of discount factor	-	36
Defined benefit pension - deficit contributions	-	(18,446)
Net cash provided by operating activities	**352,958**	**(16,326)**

25. Analysis of cash and cash equivalents

	2026 £	2025 £
Cash in hand	1,986,789	*2,056,126*
Term deposits	1,363,429	*963,539*
Term deposits (more than 3 months)	543,657	*523,250*
Total cash and cash equivalents	3,893,875	*3,542,915*

26. Analysis of changes in net debt

	At 1 April 2025	Cash flows £	At 31 March 2026 £
Cash at bank and in hand	3,019,665	330,553	3,350,218
Fixed term deposits	523,250	20,407	543,657
	3,542,915	350,960	3,893,875

27. Contingent liabilities

Harmeny Education Trust Limited is a participating employer in the SVSPS Final Salary Pension Scheme. The scheme is now closed and plans are in place to meet the past service funding deficit (see note 14).

The Trust has been notified by the Pensions Trust that the estimated employer debt which would have been payable if the Trust had withdrawn from the SVSPS Scheme as at 30 September 2025 was £1,009,054.

The Trust has decided not to withdraw from the scheme.

The employer debt figure is calculated on the ‘withdrawal’ basis or section 75 (s75) basis. The s75 debt calculation is based on the Scheme Actuary’s estimate of the pricing basis used to secure pension liabilities in full, in one transaction, with an insurance company, including any orphan liabilities, as at 30 September 2025 for all current and former the Trust’s pension scheme members.

28. Operating lease commitments

At 31 March 2026 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2026 £	2025 £
Not later than 1 year	2,751	*6,273*
Later than 1 year and not later than 5 years	10,357	*261*
	13,108	*6,534*

29. Controlling party

In the opinion of the directors there is no ultimate controlling party.

30. Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	**Holding**
Harmeny Services Ltd	100%

The financial results of the subsidiary for the year were:

Name	**Net assets**
	£
Harmeny Services Ltd	2

Profit/loss of Harmeny Services Ltd for the year ended 31 March 2026 was £nil.

Document Activity Report

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E-Sign Activity Summary

Sarah Summers	E-Signed
Brian Thomson	E-Signed

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Date	Activity
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