

**ORCHARD HILL COLLEGE ACADEMY TRUST**

**Company Limited by Guarantee**

**Annual Report and Financial Statements**

**Year ended 31 August 2020**

**Company Registration Number: 08476149 (England and Wales)**

# Orchard Hill College Academy Trust

## Contents

Reference and Administrative Details	1
Trustees' Report (including Strategic Report)	2
Governance Statement	19
Statement on Regularity, Propriety and Compliance	24
Statement of Trustees' Responsibilities	25
Independent Auditor's Report on the Financial Statements	26
Independent Reporting Accountant's Report on Regularity	29
Statement of Financial Activities incorporating Income & Expenditure Account	31
Balance Sheet	32
Statement of Cash Flows	33
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	34
Other Notes to the Financial Statements	38

# Orchard Hill College Academy Trust

## Reference and Administrative Details

Members	K Coello (Resigned 22.9.19) S Howlett Dr K Tay J Mercer (Chair of OHCAT Board) Orchard Hill College
Directors (Trustees)	J Mercer (Chair) K Finnigan (Vice Chair) Y Burgess S Lawes B McIntosh J Prior (CEO and Accounting Officer – appointed 01.09.19) D Winkler
Company Secretary	T Goodsell
Executive Senior Leadership Team	
CEO Executive Principal/Deputy CEO Chief Finance Officer Chief Operating Officer	J Prior L Cornwell Corrina Jenkins Janet Sherborne
Principal and Registered Office	8 <sup>th</sup> Floor Quadrant House The Quadrant Sutton Surrey SM2 5AS
Company Registration Number	08476149 (England and Wales)
Independent Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank Plc 49/53 High Street Sutton Surrey SM1 1DT
Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

# Orchard Hill College Academy Trust

## Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of Orchard Hill College Academy Trust (the "Trust" or "OHCAT" or the "charitable company") for the year to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operated 14 schools during 2019-20; 13 special academies and one academy alternative provision as follows:

- Carew Academy, in Sutton, for pupils aged 7-19 with additional and complex learning needs;
- Young People's Academy, in Hillingdon, for pupils aged 11-16 with social, emotional and mental health needs;
- The Skills Hub, in Hillingdon, an alternative provision for pupils aged 11-16;
- Dysart School, in Kingston-upon-Thames, for pupils aged 4-19 with a range of severe and complex learning needs;
- Bedelsford School, in Kingston-upon-Thames, for pupils aged 2-19 with physical and complex learning difficulties and disabilities including complex health needs;
- St Philip's School, in Kingston-upon-Thames, for pupils aged 9-19 with moderate learning needs;
- Nightingale Community Academy, in Wandsworth, for boys aged 5-19 with social, emotional and mental health needs;
- The Link Primary School, in Sutton, for pupils aged 4-11 whose primary need is speech, language and communication;
- The Link Secondary School, in Sutton, for pupils aged 11-19 whose primary need is speech, language and communication;
- St Dominic's School, in Surrey, for pupils aged 7-19 whose primary need is speech, language and communication and/or autism spectrum disorder;
- Grafham Grange School, in Surrey, for boys aged 10-19 with social, emotional and mental health needs;
- Brantridge School, in West Sussex, for boys aged 6-11 with social, emotional and mental health needs;
- Arbour Vale School, in Slough, for pupils aged 2-19 with severe learning difficulties and/or profound and multiple needs; and
- Chart Wood School, in Surrey, for boys aged 9-16 with social, emotional and mental health needs.

The academies' pupil capacity (planned places as stated in Funding Agreements) and numbers on roll (as at the January 2019 school census) are shown below.

<b>Academy</b>	<b>Planned Places</b>	<b>Numbers on roll</b>
Carew Academy	230	250
Young People's Academy	60	60
The Skills Hub	50	71
Dysart School	125	120
Bedelsford School	90	120
St Philip's School	185	172
Nightingale Community Academy	93	99
Link Primary School	50	56
Link Secondary School	56	49
St Dominic's School	110	119
Grafham Grange School	70	40
Brantridge School	54	44
Arbour Vale School	304	312
Chart Wood School	105	85

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### Structure, Governance and Management

#### Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of OHCAT are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Orchard Hill College Academy Trust.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

#### Members' Liability

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

#### Trustees' Indemnities

The Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The Trustees are covered under this insurance policy for the following: Governors' Liability for the sum of £10,000,000, which by any virtue of any rule of law would otherwise attach to them, in respect of any negligence, default, breach of trust or breach of duty which they may be guilty of in relation to the Academy Trust.

#### Method of Recruitment and Appointment of Trustees

The Members may appoint up to seven Trustees (Directors) using such process as they may determine. The total number of Trustees who are also employees of the company shall not exceed one third of the total number of Trustees. All Trustees are appointed for a four year term of office.

The Trustees may appoint co-opted Trustees who may not be an employee of the company.

The Trustees have set up procedures that will enable regular reviews regarding the mix of skills that should be available to the Trustees. Co-opted Trustees will be sought where particular skills and knowledge are considered advantageous to the Trust's development.

Trustees undertake relevant training in order to ensure their knowledge and understanding is fully up to date and receive regular briefings from the Executive Senior Leadership Team (ESLT).

All Local Governing Body (LGB) members are appointed by the Trustees, including two parent governors at each academy. The membership of each academy's LGB is provided on the academies' websites.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees receive an induction on appointment and receive regular briefings from the ESLT and other senior leaders. All Members, Trustees and Governors have access to GovernorHub, a comprehensive online governance portal which includes online training and resources. All Members, Trustees and Governors have access to Educare, a comprehensive online training package, as well as the National Governance Association's online training modules, both of which offer key compliance modules around safeguarding, health and safety and equality and diversity, as well as wider areas of interest. The Trust also offers bespoke training sessions on request. Additionally, OHCAT and Orchard Hill College ("OHC" or the "College") jointly hold an annual governors' conference, offering Trustees and LGB governors across both organisations the chance to take part in training and development opportunities as well as networking.

All new Governors receive a comprehensive induction pack and an introductory training session and are actively encouraged to participate in the relevant training offered, enabling them to understand their role within the Academy Trust and the individual academies.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

Trustees are also paired with OHCAT staff relevant to their portfolio to discuss progress and any issues concerning areas under their specific remit. This is to ensure that Trustees have full oversight and understanding of the Trust's processes and day-to-day operations. The portfolio governance model is mirrored at every level, with Governors also assigned specific remits according to their skill sets. Governors are also encouraged to play a full part in the life of their school through regular visits over and above the requirements of their portfolio role, for example attending school events and conducting learning walks.

### Organisational Structure

As a charity and company limited by guarantee, OHCAT is governed by a Board of Trustees who are responsible for, and oversee, the management and administration of the Trust and the academies run by the Trust. The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, including the establishment and running of schools. This is largely exercised through strategic planning and the setting of policy. Supported by the ESLT, it is managed through business planning, monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes.

The LGB of an academy is a committee formed by the Trustees and derives its power from the Trustees. The LGB is responsible for fulfilling a largely strategic role in the conduct of an academy (or federation of academies) in conjunction with a Principal who is responsible for the internal organisation, management and control of the academy (or federation of academies). The Trustees may also delegate responsibility to the Principal.

The Trust has four Members with one vacancy, to whom the Board of Trustees reports.

OHCAT operates a portfolio governance system, assigning strategic areas to Trustees and Governors via skills matching. The portfolio governance arrangements for Trustees during the period of report were as follows:

Portfolio	OHCAT Trustee
Ethos, Vision and Strategy	Jay Mercer
Teaching and Learning	Kevin Finnigan
Finance and Resources	Stephen Lawes
Health and Safety, Safeguarding and Child Protection	Barbara McIntosh
HR and Organisational Development	Yolande Burgess
Business Development and Marketing	David Winkler

Administration of the Trust's finances is delegated to the Chief Financial Officer who has direct access to the Finance and Resources Portfolio holder on the Board of Trustees. In addition, Buzzacott LLP has been appointed to perform an annual Internal Audit programme to provide Trustees with additional assurances on key risks.

### Arrangements for Setting Pay and Remuneration of Key Management Personnel

The OHCAT Trustees have appointed the Orchard Hill College and Academy Trust (OHC&AT) Remuneration Committee to consider salaries for senior executives. The Senior Executives at OHC&AT are:

- Chief Executive Officer (CEO)
- Deputy Chief Executive Officer (Deputy CEO)
- Chief Finance Officer (CFO)
- Chief Operating Officer (COO)
- All Academy Principals

For the purposes of identifying key management personnel, Principals are excluded.

The OHC&AT Remuneration Committee comprises four members as follows:

- OHCAT Trustee
- OHC Trustee
- Chair of OHCAT Board
- Chair of OHC Board

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

The quorum for the meeting is two members (one member from each board). The Remuneration Committee makes recommendations to the OHC&AT Trustees for approval.

The following factors are taken into account when considering the level of remuneration:

- Skills, experience and responsibilities;
- Performance appraisals;
- Annual turnover;
- Range of salaries for senior post holders in similar organisations;
- Average cost of living and incremental pay for all staff; and
- Role changes.

Apart from the CEO, no other OHCAT Trustee receives any remuneration for their services to the Academy Trust.

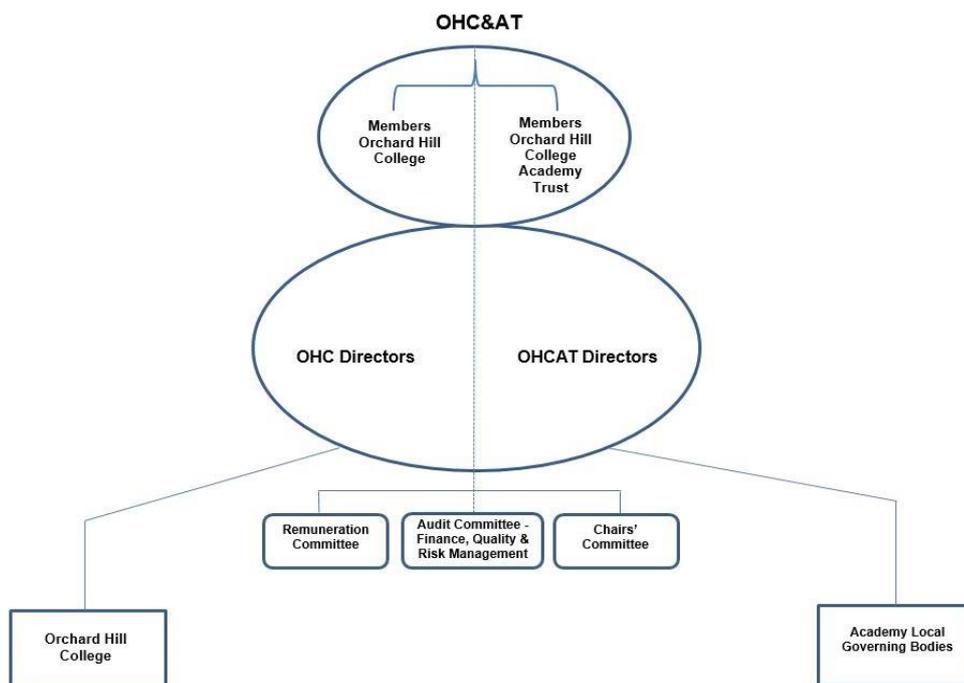
### Trade union facility time

No employees of the Trust were relevant union officials during the relevant period.

### Connected Organisations, including Related Party Relationships

OHCAT was established in 2013 by Orchard Hill College, in response to a request from the London Borough of Sutton and the DfE to sponsor Carew Manor School (now Carew Academy). The College and the Trust are independent legal entities that form a family of providers, collectively known as Orchard Hill College and Academy Trust (OHC&AT), working for the benefit of students and pupils in local communities.

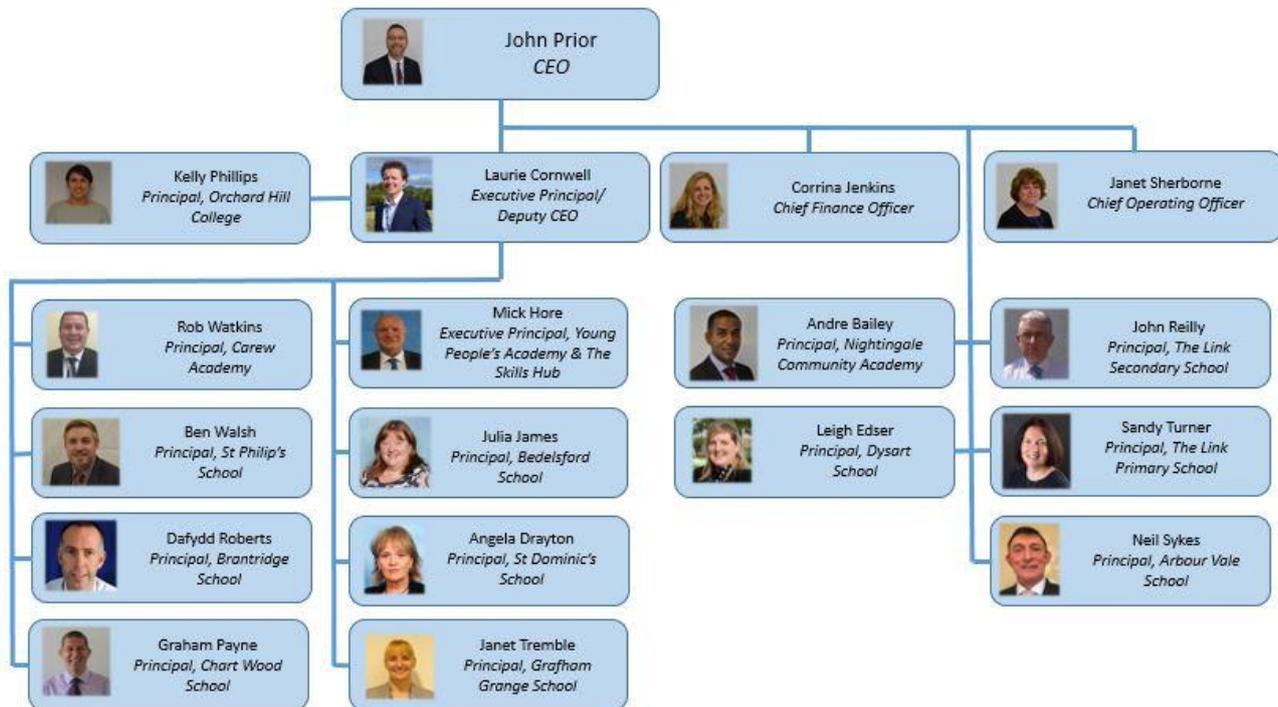
The Trust and the College operate a collaborated 'family' Board of Trustees, as shown below. This model of governance continues to be a great success, allowing greater coherence in decision-making and greater clarity of communication while retaining the individuality of each organisation. Risk continues to be managed separately and collaboratively, allowing either organisation to retract from the collaboration if required while at the same time promoting transparency. In addition to the Remuneration Committee, the collaborated Board of Trustees also operates an Audit Committee and a Chairs' Committee.



This collaborated model is reflected in the structure of the ESLT and Principals of academies (below, as at September 2019):

# Orchard Hill College Academy Trust

## Trustees' Report (continued)



Some adjustments were made to this structure mid-year, in response to strategic challenges including Covid-19 – these are discussed in more detail within the Strategic Report (below).

The ESLT manages the business of both the Trust and the College, which promotes responsive cross-organisational working between Trust and College at all levels. The ESLT maintains a close working relationship with each academy's Senior Leadership Team and operational support is provided to the academies by both Trust and College staff in a number of areas, including HR, IT and Facilities.

The College is represented as one of the five members of the Trust, and may appoint Directors to the Trustees of the Trust in agreement with all other Trust members.

### Engagement with employees

Internal communication and staff engagement channels are in place to provide information to on an organisation-wide basis, for example termly CEO bulletins and intranet as well more specific through induction, development and the appraisal process. The organisation's strategic direction, mission and values are conveyed in staff communications as are case studies on best practice, performance and achievement. Strategic developments such as changes to an academy's provision involves consultation with the school community to seek their views and an equality impact assessment is undertaken. OHCAT recognises unions and works collaboratively with them. An in-house occupation health service is provided to enable staff to perform their duties with reasonable adjustments.

### Engagement with suppliers, beneficiaries and others in a business relationship with the Trust

Strategic meetings take place with Local Authorities on commissioning priorities and strategic developments. Regular dialogue and reviews take place with the Regional Schools Commissioner, the DfE and the Education and Skills Funding Agency. At a regional and local level, there is attendance at and membership of forums. Planned strategic development involve wide stakeholder consultation including local authorities, staff, parents/families, schools, business and voluntary sector. At a local level there is regular communication and engagement with parents/families and local community.

### Objectives and Activities

The charitable objectives for which OHCAT was established are set down in the governing document as follows:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision academies") or 16 to 19 academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and

- b) to promote for the benefit of the inhabitants of the local authority areas (and surrounding areas) in which any of the academies are situated, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

### Mission and Vision

Orchard Hill College Academy Trust, together with trust sponsor Orchard Hill College, operates as a collaborative family of specialist providers. Our mission is to support, enable and champion the talents, skills and rights of the most complex and vulnerable people in our society, in order that we can release their potential, promote their wellbeing and transform their lives. As a community of learners, families and colleagues we believe that by working collaboratively, with energy and ambition, we can always effect positive change. At the core of our ethos is the conviction that there should be no limit placed on what is possible and that everyone has the ability to be the very best they can be.

Our learners require and receive a high quality blended offer within their local context in order to meet their different needs and ambitions. By working together as a family, we are able to maximise the benefits to our pupils and students from having staff, leaders, governance and associates with extensive expertise and experience in both the special and mainstream sectors, from pre-school through to Further Education (FE).

From 1<sup>st</sup> September 2020 the Trust will operate 15 academies and central services, while Orchard Hill College offers specialist educational programmes for pupils and students aged 16 and over in six main centres and additional satellite provision in London and Surrey. Provision is organised on a hub model, with schools and College centres clustered around four hubs: Sutton and Croydon, North West London and Slough, South West London, and Surrey and Sussex. The hub model supports effective cross-organisational working and best use of resources to benefit pupils and students.

Each OHCAT Academy defines its individual vision, ethos and aims in line with the Trust's overarching commitment to furthering learning, work and life opportunities to pupils and students with Special Educational Needs and Disabilities (SEND) in their local communities.

### Public Benefit

The Trustees of the Trust have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties in defining the strategic direction of OHCAT and its constituent academies.

## Strategic Report

### Achievements and Performance and Key Performance Indicators

#### 1.1 Overview of Development

The Board of Trustees is responsible for quality, finance and the appointment of Principals. The Trustees have approved the company policies. The CEO reports to the Trustees. Each academy has a Local Governing Body to support the Principal and to provide a local governance role. The Principal of each academy reports either to the

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

CEO or Executive Principal/Deputy CEO, who seeks input from the LGB Chair with regard to Principals' appraisals. The Executive Principal/Deputy CEO, CFO and COO all report to the CEO.

Following the succession planning activities undertaken in 2018-19, John Prior commenced as CEO and Laurie Cornwell as Executive Principal/Deputy CEO from 1 September 2019 and work commenced on implementing 'phase two' of OHCAT's strategy, as detailed below.

In keeping with this focus on growing the depth, breadth and sustainability of quality throughout the organisation, during the period under discussion Trustees opted to focus on free school projects already in development rather than expand the Trust through the addition of further converter academies. Consequently no new schools joined the Trust in 2019-20.

### 1.2 OHCAT strategy

The period under discussion has seen a planned shift in focus and a further evolution of strategic priorities. Building on the rapid growth and expansion of OHCAT's first six years, phase two of the organisational strategy is structured around the following key priorities:

- Quality, standards and reputation: ensuring life-changing outcomes, meaningful destinations and quality of life for every young person within the Trust, through the delivery of consistently excellent teaching and learning across a rich and relevant curriculum offer;
- Innovation and specialism: growing and developing the existing wealth of specialist knowledge within the Trust through the establishment of internal and external professional networks, robust impact measurement processes that feed into year on year strategic plans, and active engagement in research;
- Development and growth: taking an ambitious, judicious approach to securing the future of the Trust, through capacity building, maximising financial probity and efficiency, and the strategic improvement of Trust estates;
- System leadership: building influence and advocacy, and ensuring compliance and accountability, through a strong organisational culture that promotes responsive governance and leadership at all levels;
- Nurturing talent: future-proofing the organisation through a strategic approach to recruitment and retention, including training and development opportunities and career pathways that enable every staff member to maximise their potential within the Trust.

### 1.3 Achievements and Performance

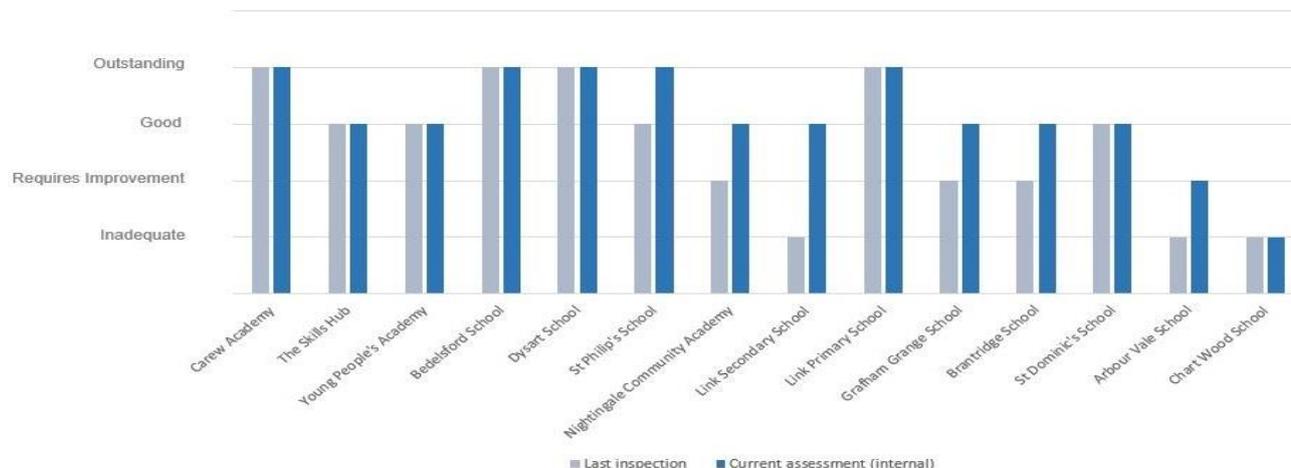
Since inception in 2013, ten of OHCAT's fourteen academies have received at least one post conversion Ofsted inspection. There continues to be a strong upward trend, with all but two academies either maintaining a Good or Outstanding judgement or improving on the previous judgement. This year, three academies were inspected: The Link Primary School retained its Outstanding grade pre-OHCAT conversion; Carew Academy was graded Outstanding, a fantastic achievement that completes the school's improvement journey from Inadequate upon conversion through Good in 2015. Grafham Grange School, in its first post-conversion inspection, retained an overall grade of Requires Improvement but with behaviour and attitudes, personal development and leadership and management all judged as Good – a significant improvement on the previous inspection.

It remains the case that in all but one of the academies that have received a post-conversion inspection, leadership and management was judged to be either good or outstanding, including in schools that were previously in special measures. The one exception to this is an academy that was inspected just three months after conversion from an inadequate position as a maintained school.

Amongst the four academies that are yet to receive their first inspection, robust internal assessment, that includes the judicious use of Ofsted-trained external verifiers, evidences that we expect that all will have improved by at least one grade at the first inspection, with two of those four being at least 'good' overall. In the table below, the 'last inspection' label for these four academies (The Link Secondary School, Arbour Vale School, Brantridge School and St Dominic's School) denotes their pre-OHCAT conversion Ofsted judgement.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)



Summer 2018, 2019 and 2020 results and outcomes show that all academies, including Alternative Provision, at least maintained, and in some cases improved, the standard of GCSE outcomes over the three-year trend, despite more challenging syllabus and demanding exam arrangements for students with SEND. Summer 2020 outcomes were Centre Assessed Grades (CAGs) and these CAGs received no downward moderation from the original Ofqual algorithm (subsequently disregarded). 2020 also saw further A-level success for a small number of students, with a 22% point score increase between 2019 and 2020, which represents exceptional achievement. The total GCSE point score across all subjects across the Trust increased by 34% between summer 2018 and 2019. There was a further 55% increase between 2019 and 2020. GCSE point scores across the Trust within the 4-6 grade band more than doubled between 2019 and 2020, demonstrating not only an increase in participation but also standard of pass.

Alongside GCSEs, we continuously diversify and expand the range and breadth of accredited L1 and L2 non-GCSE outcomes across the Trust, including Functional Skills, City & Guilds, BTEch and VCerts, Arts Award, Duke of Edinburgh, Youth Award Schemes and Sports Leaders. This sits alongside an increasingly rich and diverse curriculum offer that includes numerous vocational and technical subjects. This means that more students are achieving accredited outcomes, sometimes considerably earlier than Y11, which are relevant, meaningful and prepare them well for the next stage of their learning. Our academies that provide for some of our students with the most profound and complex needs and disabilities continued to deliver exemplary outcomes year-on-year for all key stages, including a range of external accreditation at Entry Level and Level 1 set alongside excellent progress measures. We are unable to reliably report at this stage on non-GCSE and A-level outcomes due to delays and/or restrictions relating to Covid-19; these will be reported in 2020-21 accounts.

NEET (not in education, employment or training) rates for leavers from Trust schools continue to be very low and compare favourably against national and regional data. DfE NEET data for December 2019 shows the NEET rate (England) for 16-24 year olds at 11.3% and for 18-24 year olds 13.0%. For 16-17 year olds, this figure is 4.5%. In London, the 'NEET or unknown' rate at December 2019 was 10.7% for 16-24 year olds and in the South East, 8.2% (the lowest in the country). It remains the case that young people are notably more likely to be NEET in the 16-24 age range if they have mental health and/or learning difficulties and/or health problems. The proportion of NEETs in England with a mental health condition has moved from 1.9% in 2012 to 2.9% in 2018.

The consolidated NEET rate for all OHCAT leavers (16+) in summer 2020 was commensurate with the previous year's figure of 8.3%. This shows that students with complex needs across the Trust are exceptionally well prepared for their next destination.

Following Trustees' strategic decision in 2018-19 to discontinue inherited residential boarding provision at three OHCAT schools, the last of these (at St Dominic's School) duly closed in summer 2020.

Having given due consideration to the quality and viability of the inherited residential boarding provision at Chart Wood School, in December 2019 Trustees approved the proposed closure of this facility, following which the business case for closure was approved by the Regional Schools Commissioner in spring 2020. Closure was scheduled for September 2020, but due to coronavirus this became effective from April 2020.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### Apprenticeships

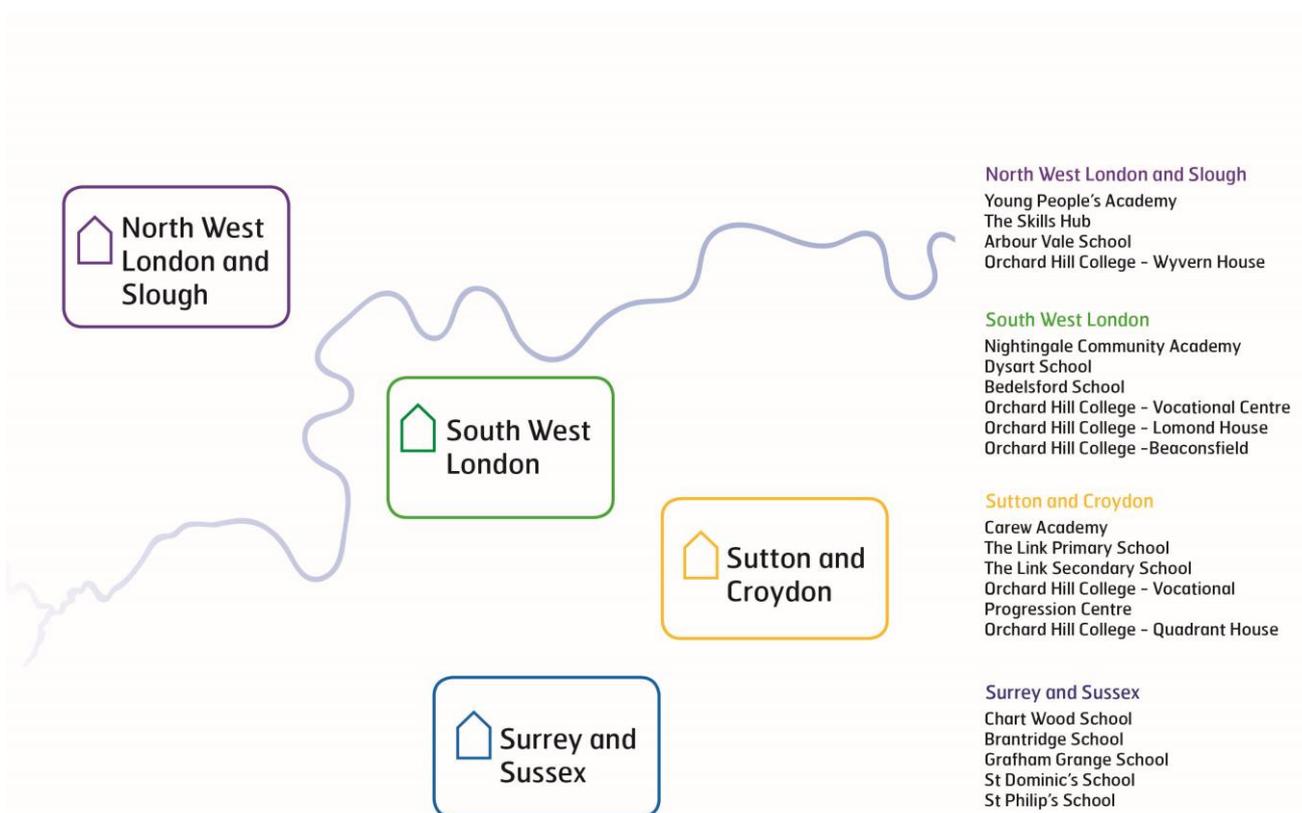
There were 14 apprentices employed by OHCAT at November 2020, including apprentices with SEND, and a further 6 apprentices are due to enrol. Across this coming three year period, the objective is for every academy to employ at least one apprentice. Apprenticeships are currently offered at Level 2 and beyond in Healthcare, Teaching and Learning, Customer Service, Human Resources, Finance and Leadership and Management.

OHCAT currently has 1.6% of current workforce as apprentices (November 2020) against a government target of 2.3%.

### 1.4 Academy Updates

The regional model is now well embedded within the Trust. From September 2019 OHCAT has operated a four hub model:

Hub	Academies
Sutton and Croydon	Carew Academy, The Link Primary School, The Link Secondary School
North West London and Slough	Young People's Academy, The Skills Hub, Arbour Vale School
South West London	Bedelsford School, Dysart School, Nightingale Community Academy
Surrey and Sussex	St Philips' School, St Dominic's School, Grafham Grange School, Brantridge School, Chart Wood School



The development of the hub model is starting to more effectively support the Trust to offset potential limitations associated with geographical dispersion. By building the specialism alongside College centres, the Trust is increasingly enabled to facilitate meaningful and seamless transitions for students, provide additional learning opportunities through shared facilities and resources, and enable staff to build networks and share expertise.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

The Principal of Bedelsford School, was recruited to the Regional Lead post for the South West London hub from January 2020, with the Principal of St Dominic's School, continuing as Regional Lead for Surrey/Sussex during the period under discussion. With Laurie Cornwell now in post as Executive Principal/Deputy CEO, recruitment to the North West London and Slough hub was anticipated to take place during summer 2020, alongside recruitment to the Sutton and Croydon hub role; however, the onset of coronavirus meant that these plans had to be paused. The intention is now to recruit during 2020-21, in order to ensure high quality regional leadership is secured in all four hubs by September 2021. The regional model is a key tenet of the revised strategy in order to drive Trust-wide improvements and diversify leadership at both executive and local level.

The coronavirus and subsequent disruption of normal school life from March 2020 necessitated the temporary adaptation and refinement of our standardised quality monitoring processes. The Trust's internal assurances, including regular quality and risks monitoring by the CEO and Executive Principal/Deputy CEO during lockdown, showed that quality of education remained typically strong within the parameters of Covid-restrictions. This included the planning and delivery of a blended, recovery curriculum that included a substantial remote delivery in order to ensure that pupils and students both in and out of school continued to receive educational provision and pastoral support differentiated to meet their individual needs.

2019-20 was an unusual academic year. Whilst the coronavirus has been the most obvious disruptor and driver of change, a number of other key developments have taken place across OHCAT, many pertaining to the commencement of new executive leadership and the planned implementation of 'phase two' of the organisational strategy, as detailed above. The Trust has responded dynamically to unpredictable events while continuing to support its schools to develop their offers in response to local need.

Some notable developments during the period under discussion include

- Chart Wood School continued to receive comprehensive and detailed support from OHCAT since conversion on 1 January 2019 and having subsequently been placed into Special Measures in April 2019. The school experienced leadership changes within the academic year and the Trust deployed additional and continuing support from the Executive Principal/Deputy CEO, as well as the secondment of two senior College staff into Acting Principal and Deputy Principal roles. Chart Wood School received two Section 8 monitoring visits from Ofsted during the period under discussion, the second of which, in February 2020, found that the school is taking 'effective action toward the removal of special measures'. This represents a significant achievement and an important milestone in the school's improvement journey. The school moved to a newly refurbished site in Dorking from September 2020 and was renamed Unified Academy following a consultation exercise with pupils, families and staff.
- The Trust continued to progress plans to open Addington Valley Academy (AVA), OHCAT's new academy Free School in the London Borough of Croydon. A Principal was recruited following a competitive process to start from April 2020 to oversee and lead on the pre-opening phase. Following discussion with Croydon Council around the urgent need for specialist provision in-borough, the RSC approved plans to open the school in September 2020 on a temporary site with a reduced cohort in year one (20 instead of 80), ahead of 'full' opening in the new building in 2021. AVA received its pre-opening Ofsted inspection on 25 June 2020, which was very positive.
- Alongside this, and following consultation with staff and local governors, Trustees gave approval in December 2019 for a proposal to more closely align The Link Secondary School with The Link Primary School, on a graduated timescale starting from January 2020, and with an aspirational agenda of full amalgamation and the creation of one school in subsequent years. The alignment will achieve important economies of scale as well as further defining a consistent, high quality pathway for pupils and students in Sutton and surrounding boroughs with speech, language and communication (SCLN) and related complex needs. The Principal of The Link Primary School assumed the role of Acting Executive Principal for both schools from 1 summer 2020; this role will assimilate to Executive Principal from 1 September 2020.
- The Trust continued to refine and develop its CPD offer, in line with stated strategic priorities around developing the specialism and nurturing talent. The period under discussion saw the launch of ten SEND specialist training modules, developed and delivered in house in order to ensure that staff across the Trust, including those in operational teams, have the skills and understanding to effectively support pupils attending OHCAT academies. Five modules were piloted before the programme was interrupted, focusing on specific themes including profound and multiple learning difficulties, neurodiversity and pathological demand avoidance. Feedback from attendees was positive, and there are plans to take the modules online during 2020-21 so that staff can continue to benefit from the range of expertise and experience within the Trust. The programme of staff specialist and professional networks was also expanded in 2019-20, with English and maths leads, careers leads, Designated Safeguarding Leads (DSLs) and school business managers convening to provide peer support and share best

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

practice. A number of promising developments have arisen from these networks, including initial scoping work on a Trust-wide careers provision strategy for pupils with SEND and the identification of subject-specific CPD needs for classroom support staff, both of which will be progressed during 2020-21.

### Response to the Coronavirus

The coronavirus and subsequent social restrictions have offered an unrivalled, if unwelcome, opportunity to test the integrity of individual and overarching systems and processes across the organisation; namely, the responsiveness of OHCAT schools to the need of pupils, students, families and staff, and the effectiveness of reporting lines between individual provisions and central Trust services. National lockdown was announced on 20 March 2020, with schools closing to all except vulnerable children (including those with Education Health and Care Plans) and children of keyworkers. This effectively meant that every OHCAT academy would remain open. Principals and their teams moved swiftly to identify the immediate and longer term needs and adapted their offers to meet them. ESLT and OHCAT services replicated this in order to support our provisions. Some key developments are detailed below:

- A number of time-critical responses were made to enable mass homeworking in the wake of lockdown, including rapid improvements to the IT infrastructure, distribution of essential homeworking equipment such as laptops and the organisation of remote meeting facilities. All operational and developmental work was moved online unless impossible to do so (e.g. onsite risk assessments and quality monitoring).
- School leaders worked with ESLT and Trust health and safety staff to carry out dynamic risk assessments and enact all identified measures to enable pupils and staff to attend school wherever possible.
- Alongside weekly ESLT meetings, from 20 March 2020 a Critical Incident Management Team (CIMT) convened to meet weekly. The CIMT comprises ESLT plus all service directors, Head of Corporate Governance and the leads for the Training and the Digital Schools, and has proven pivotal in helping to ensure business continuity through the alignment and coordination of operational activity led by the high-level strategic response both to coronavirus itself and the Trust's broader organisational aims.
- All OHCAT academies remained open to pupils. Attendance rose steadily throughout the duration of the lockdown period, averaging c.20% across the Trust in June 2020, comparing favourably with the national picture. Alongside this, school staff developed and delivered online or distance learning to those pupils not attending school, including delivering home learning packs to families with limited access to the internet.
- Additional measures were put in place to safeguard pupils both in and out of school. Schools provided responsive support to families, including access to essential supplies as well as education and wellbeing support. Safeguarding and wellbeing offers were updated to reflect coronavirus-specific safeguarding requirements. The Trust's established DSLs' network moved to weekly online meetings, enabling DSLs, Principals and central Trust staff to liaise closely over the safety and wellbeing of the OHCAT community; this in turn enabled a dynamic response to emerging risks across a number of areas including online safety, mental health needs and domestic abuse, as well the sharing of resources and best practice to support pupils and colleagues through the challenges of lockdown.
- Staff wellbeing was supported both centrally and at local level through regular updates from Occupational Health, signposting to good mental health resources and support, homeworking guidance and access to online sessions such as yoga and mindfulness. Additional CPD was provided via remote learning.
- In order to streamline communications and reduce workload on school leaders during this critical period, the Trust began distribution of a formal weekly Principals' e-bulletin, which aims to sift and collate the most relevant and useful information from the plethora of guidance issued from various sources including the DfE.
- The Trust secured funding, following a successful application, to the Youth Endowment Fund's Covid-19-specific grant round in order to support pupils at risk of domestic abuse. 18 staff members from six OHCAT academies will be trained to deliver a therapeutic intervention to identified pupils throughout 2020-21, with the skills remaining in the organisation beyond the life of the project.
- The Skills Hub responded to the DfE Year 11 Transition Funding to support current year 11 students into post-16 education. This one-off funding is intended to fund additional transition support provided by Alternative Provision settings for Year 11 pupils from now to the end of the 2020 autumn term.

The above offers a snapshot of OHCAT's continuing and evolving response to an unparalleled challenge, the effects of which will clearly be felt into the next academic year and beyond. The Coronavirus has served as a live test of the Trust's business continuity, as well as, more importantly, its commitment to pursuing educational excellence for children and young people with SEND, highlighting areas of strength and areas for further development. All transferable learning from this period will be taken into 2020-21 and built into what is demonstrably a creative, resilient and robust organisation.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### 1.5 Potential Academies

While the Trust continues to receive interest from schools wishing to join a strong academy chain there are no current plans to actively grow the Trust through additional academy conversions.

The Trust continues to progress its plans to open five new DfE-approved free schools, working closely with Local Authorities and other stakeholders:

- The Futures Academy: a 246-place special school for pupils aged 5-18 with a range of additional learning needs including autistic spectrum disorders, Futures Academy will absorb the existing provision at Carew Academy as well as extending the specialist offer for local pupils with SEND. Ongoing complex planning issues arising from the identified site for the new build have led to a formal notification of deferral of opening from the DfE Free Schools Directorate – this is a standard protocol in circumstances where a proposed opening date, in this case February 2021, proves unattainable. The Independent Planning Inspectorate is due to review the whole application and make a decision in September 2020. Therefore, the earliest handover date for the new school will be mid-2022.
- Young People's Academy (YPA) and Young People's Hub (YPH): these two schools, one special and one alternative provision, will be co-located on one site and will provide 208 places for pupils aged 5-19 with social, emotional and mental health needs and related learning needs. The new schools will absorb the existing provision at Young People's Academy and The Skills Hub as well as extending the specialist offer for local pupils experiencing barriers to learning. Current projected opening dates are 2021-22 for YPA and 2022-23 for YPH.
- Addington Valley Academy: this 150-place Croydon special school for pupils aged 2-19 with autism and complex needs has opened in temporary accommodation from September 2020, ahead of full opening on its permanent site in September 2021.
- Wings Academy: this 84-place special school for pupils aged 2-19 with autistic spectrum disorders and related learning needs is due to open in Hounslow in 2023.

### Going Concern

Future significant financial uncertainties affecting the Trust in the next few years have been identified as:

- Introduction of a fair funding formula and the uncertainty of long-term Government funding;
- Solvency of Local Authorities and difficulty in securing capital for investment in estates;
- Increases to teachers' pay scales and employer pension costs in the Teachers' Pension Scheme;
- Likelihood of increased employer pension costs for the Local Government Pension Scheme;
- Widening gaps in long term deficits of the Local Government Pension Scheme;
- Impact and effect of the on-going coronavirus pandemic; and
- Impact and effect of Brexit with specific regards to procurement, contracts and supplies.

The Board, on considering these uncertainties, feels the Trust has adequately protected its position to continue operating with appropriate reserve levels and embedded financial monitoring of budgets and risks evidenced by the Executive Senior Leadership Team's responsiveness to business changes.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for at least a twelve month period from the date of approval of this report, and there are no material uncertainties in this regard. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### Financial Review

The main sources of funding for the Trust is from:

- the Education and Skills Funding Agency (ESFA), in the form of recurrent grants restricted to delivering the core purpose of education;
- Local Authorities fund Element 3 (Top-Up) grants per pupil in relation to their specialist need.

During the year to 31 August 2020, the grants receivable from the ESFA and Local Authorities and the associated expenditure is reflected in the restricted general funds in the Statement of Financial Activities (SOFA) on page 31.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### *General reserves*

Income for the year to 31 August 2020 (excluding restricted fixed assets) was £56.2m (2019: £48.2m excluding restricted fixed assets and pension liabilities transferred on conversion) and was derived principally from ESFA and local authority funding but also includes start up grants relating to the opening of Addington Valley Academy, a new free school opening in September 2020; this was in the most part used for system implementation, leadership support, legal fees and quality improvement advice.

Expenditure (excluding depreciation, loss on transfer of asset to Orchard Hill College and other FRS102 pension adjustments) for the year ended 31 August 2020 was £50.6m (2019: £45.6m). The major part of the Academy Trust's expenditure is in relation to its staff costs which (excluding FRS102 adjustments in respect of current service costs) amounted to £42.8m (2018: £37.8m).

The net position for the year, therefore, was a revenue surplus of £5.6m (2019: £2.6m); of this, £1.3m (2019: £0.8m) was invested in fixed assets. The overall net increase in general reserves was £4.3m (2019: £1.8m), which have increased from £7.0m to £11.3m during the year to 31 August 2020.

The better than expected performance was largely down to the Coronavirus pandemic as local authority funding was protected and cost reductions were experienced in agency staffing, classroom resources and other staff related costs as the curriculum provision adapted to different methods of delivery; in addition there were reduced running costs associated with short-term closures in the schools. The impact of this is approximately £847k. These resources will be deployed during the next financial year as it is anticipated that staff absence due to the Coronavirus will increase thereby increasing agency spend. Furthermore, there is likely to be additional spend in other areas as a result of COVID-19, such as equipment and changes to cleaning regimes. There are plans to invest in the IT infrastructure. The Academy Trust did not access the Job Retention Scheme; one school received Coronavirus exceptional support of £12k to cover additional in relation to cleaning and hygiene, and free school pupil meals including costs of delivery.

As at 31 August 2020 the Trust had unrestricted reserves of £3.6m (2019: £3.3m), being accumulated net funds generated from trading activities outside providing education and surpluses transferred to the Trust on the conversion of new academies.

### *Fixed asset fund*

Within the restricted fixed asset funds section of the SOFA are amounts relating to the assets funded by condition improvement grants of £139k, the majority of which is funds awarded to St Dominic's School to fund emergency fire safety works. In addition, the school has been awarded Priority Schools Building Projects (PSBP) capital funding to rebuild the performing arts block; the project was completed during the year and capital funding of £377k was received during the year to 31 August 2019.

The building occupied by Arbour Vale School (and all other assets) are part of a Private Finance Initiative (PFI) scheme and the agreement was transferred to OHCAT on conversion of the school. Ownership of the building will transfer to the Academy Trust at the end of the contract in 2035; the current value of the site is approximately £28m.

During the year under review, Chart Wood School occupied a temporary site while the Local Authority refurbished an existing building on a second site in Dorking. The school re-located to the refurbished premises in September 2020, and the asset will be recognised on the academy trust balance sheet when the asset transfers from the local authority to the Academy Trust.

As at 31 August 2020 the net book value of Fixed Assets was £78.7m (2019: £78.4m). These assets were used exclusively for providing education and the associated support services to the pupils of the academies within the Trust.

### *Pension reserve*

The Trust had a defined benefit pension scheme liability of £32.5m (2019: £29.7m) as at 31 August 2020. The pension reserve is under continuous review by independent actuaries and regular adjustments will be made to contribution rates in order to balance the fund.

The Trust will use reserves wisely and will be investing and addressing the immediate needs of the schools. The in-year aim is to continue to invest in quality educational resources and to improve the social facilities for our pupils.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

The long term plan is to build reserves to reinvest in capital programmes and development of our buildings.

The Trust produces a 5-year plan to predict the impact of business changes and funding stream uncertainties to enable pro-active decisions to be made to our staff and non-staff resource structure in line with these predictions.

### Reserves Policy

The Trustees review the level of reserves of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The policy of the Trustees is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Trust and to deal with unexpected emergencies. The target level of reserves is set out in the Finance Regulations document. The current requirement is 90 days of expenditure (excluding depreciation) in general reserves. However, a new reserves policy was approved by the Board to reduce the requirement to a range of between 45 and 60 days of expenditure (excluding depreciation). This change, effective from 1 September 2020, is largely to recognise the now established and strong financial position of the Academy Trust and to support the next phase of investment as identified in the estates strategy. The new policy has been shared with the ESFA.

The Trust needs to hold reserves for a number of reasons, for example:

- Contingency – to deal with unforeseen events that cannot be covered in the annual approved budget;
- The cost intensive nature of the provision, particularly given the dependency on income from local authorities many of whom are also facing significant financial pressure;
- A planned build-up of funds to pay for some major work, project or replacement programme;
- Funds held from one year to the next to manage variations in funding levels or specifically allocated grants for which carry forward is allowed; and
- To support future education purposes in line with the Improvement Plan of each Academy within the Trust.

The Trustees are satisfied that the Trust's reserves are sufficient for its current purposes. The general reserves (excluding fixed assets and pension liability) as at 31 August 2020 amounted to £11.4m (2019: £7.0m), of which £7.8m is held in restricted general funds (2019: £3.7m) and £3.6m is held in unrestricted general funds (2019: £3.3m).

### Investment Policy

The Trustees' current policy is to manage, control and track financial exposure and ensure value for money exercising care and skill in all investment decisions and to ensure that security takes precedence over revenue maximisation.

The Trust therefore invests surplus funds in low-risk, short term bank deposit accounts with Lloyds bank (the Trust's own bank). The Trustees approved a new investment policy, effective from September 2020, to open a deposit account with another institution to diversify risk and maximise returns on investment.

### Principal Risks and Uncertainties

The following key principles outline the Trust's approach to risk management and internal control:

- The Trustees have responsibility for overseeing risk management within the Trust as a whole.
- An open and receptive approach to solving risk problems is adopted by the Trustees.
- The CEO and the Executive Senior Leadership Team support, advise on and implement policies approved by the Trustees.
- The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- Senior and middle management Academy staff are responsible for encouraging good risk management practice within their designated managed area.
- Key risk indicators are identified and closely monitored on a regular basis.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

Principal risks are detailed in the risk register, which is reviewed by the Trustees each term. Key risks include:

### 1. Quality - Academy performance

The Trust currently operates 14 Academies, the most recent conversion taking place in January 2019. Ensuring the delivery of a transformative, high quality of education at OHCAT Academies is the central mission of the Trust and crucial to its continued success and growth. This core focus has previously effected rapid improvement, as reflected in Carew's 2015 Ofsted grading of Good with Outstanding features (the school has since received an Outstanding judgement in 2020), Young People's Academy moving from Requires Improvement (pre-conversion) to Good in 2018, and Nightingale Community Academy's grading of Requires Improvement in February 2019 against a pre-conversion judgement of Inadequate (Special Measures). The Trust's robust quality and progression monitoring framework is fully embedded, enabling a deep understanding at executive level of each school's strengths and areas for development to inform targeted improvement initiatives, underpinned by robust quantitative and qualitative data.

### 2. Reputation

The Trust provides transformative learning and pastoral support for vulnerable pupils and students. It is critical that the Trust maintains a reputation for high quality and for sound and responsible practice and is increasingly involved in system leadership and broader advocacy for those with SEND. The Trust has robust and regularly reviewed policies and procedures in place for child protection and safeguarding, and the OHCAT Director of Safeguarding, Wellbeing & Learning Support oversees all safeguarding practice, including regular supervision of Designated Safeguarding Leads in each Academy. OHCAT invests heavily in training and continuing professional development to ensure that staff at all levels and layers of the organisation develop a deep understanding of complex needs and SEND so that we can continue to build the specialism.

### 3. Compliance

The academies within the Trust are geographically dispersed across four regional hubs. In addition, the Trust works to an underlying principle of localism supported by a central function. Such a local and regional focus means that individual academies can be more responsive to the bespoke nature of their context. It also reduces the risk of micro-management from a central function that may be less well informed about the local landscape and impose less efficacious solutions. Overarching this approach is the core role that the Trust plays in the monitoring and assurance of each school and in relation to statutory policies and procedures, key stakeholder engagement and the promotion of OHCAT's broader mission and vision more widely. The reciprocal risk of this approach is that on matters of compliance, local variations could result in inconsistencies across the organisation as a whole. Our well-developed and established risk assessment processes – particularly, but not exclusively, in relation to safeguarding, financial systems, processes and reporting, recruitment and statutory policies – ensure that the Trust has comprehensive executive oversight of risk and any behaviours that may be sub-optimal in relation to compliance, and is able to intervene appropriately, decisively and in a timely manner.

### 4. Infrastructure and Capacity

In order to most effectively meet its strategic aims and objectives, the Trust requires an infrastructure for its business support services that enables it to operate in an efficient, coordinated and reliable way. Systems and processes ought to be well established and appropriately supported by an effective and fit for purpose IT arrangement that is both resilient and adaptable and that enables core organisational functions to be discharged seamlessly across the Trust. Central support services, as well as delivery to pupils and students in the academies, requires sufficient capacity, in terms of quality, number of personnel and coherent organisational management in order to promote exceptional outcomes. Any stress on capacity and infrastructure can result in a less responsive corporate model.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### 5. Over-expansion

Any multi academy trust that expands too rapidly risks downturns in the quality of provision and financial overstretch, to the detriment of its reputation and quality as a provider. The Trust has agreed a three-year strategy that allows for growth while retaining the focus on quality, standards and wellbeing. Prospective academies undergo a thorough due diligence process before a decision is made by Trustees on whether to proceed with conversion. The current strategic focus is on growth in numbers of provisions through existing free school projects in development, rather than further academy conversions, as well as deepening and maturing the Trust's work so that best practice is consolidated.

### 6. Business Continuity

Interruptions to typical activity can have a negative impact on the offer provided to OHCAT pupils and students. In a dynamically shifting national, regional and local landscape, such as is currently the case due principally to the Covid-19 pandemic but also the prospect of a no-deal Brexit (or no extension to the current transition period), threats to normal business continuity are real and to the fore. OHCAT has a secure ethos, a clearly defined headline mission and vision, and a well-articulated and understood set of values, in addition to an effective and responsive business support service. These combine to support the Trust to continue to deliver to a high standard even if working practices need to be adapted. Our suite of risk assessment and monitoring supports a detailed understanding of the overall operational picture across OHCAT at any given time.

### 7. Funding

The Trust is reliant on Government funding to support pupils and students whose additional support needs carry costs that exceed most other forms of ongoing funding. Variations in the funding methodology and levels of resource, as well as changes in eligibility criteria and uncertainty associated with major political events create potential risk. The Trust engages proactively with funding bodies to raise awareness of the potential impact of planned actions, and maintains strong working relationships external agencies such as Local Authorities and Regional Schools Commissioners in order to ensure that productive dialogue takes place at local, regional and national level. These relationships are particularly relevant and important given the ongoing risks to their own financial health that Local Authorities carry.

It should be further noted that the ongoing coronavirus pandemic presents additional risk to the Trust; there is the potential, or likelihood, for economic strain and political uncertainty to impact on funding, and for restrictions to impact on quality and reputation. Transferable learning from the Trust's initial response to the pandemic has been carried forward and incorporated into existing risk management practices, and the Trust's ongoing high level engagement with sector and partnership bodies, including the Department for Education, Regional Schools Commissioners and the Confederation of School Trusts, enables OHCAT to contribute meaningfully to the education sector's evolving response to this risk.

## Risk Management

The Trust regularly reviews the key risks to which its operations are exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks. In addition, factors are in place that provide the Trustees with the capacity to deal with issues or problems that occur, for example, calling on an experienced, capable Executive Senior Leadership Team which is able to act quickly in response to unexpected events through forward planning, policies and insurance and through holding appropriate reserves. Additionally, the Board of Trustees has established an Audit Committee (which considers Finance, Quality and Risk Management) whose membership is drawn from both OHCAT and OHC Trustees and which reports to the Trustees as a whole.

The overall requirements for the Audit Committee, on behalf of the OHC&AT Trustees, are:

- Internal scrutiny – to have in place a process for checking financial systems, controls, transactions and risks and quality of provision.
- To achieve internal scrutiny which delivers objective and independent assurance.
- To provide assurance to Trustees that risks are being adequately identified and managed by:
  - reviewing the risks; and

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

- agreeing a programme of work to address, and provide assurance on those risks.
- To inform the governance statement that accompanies the annual accounts and, so far as is possible, provide assurance to the external auditors.

A risk report is submitted to the Trustees at each meeting and operational risks are reviewed at regular meetings of the Executive Senior Leadership Team and the CEO.

### Fundraising

The Trust accesses funds for specific projects that will benefit existing and future pupils and students where funds for these projects cannot be accessed via existing channels i.e. government education funding. The Trust will access for projects that provide opportunities and enhance the learning experience and environment for pupils and students.

The code of fundraising practice is followed <https://www.fundraisingregulator.org.uk/code>

The Trust does not use commercial organisations or professional fundraisers. There were no complaints concerning the Trust's fundraising activities during the year. In summer 2020 an external consultant was engaged to provide support in developing the Trust's fundraising approach.

### Streamlined Energy and Carbon Reporting

The Trust's annual energy usage and associated annual greenhouse gas emissions during the period 1 September 2019 and 31 August 2020 is as follows:

Energy consumption breakdown:	
Gas	4,889,840
Purchased electricity	2,125,810
Transport fuel	222,332
Mandatory energy consumption (kWhw)	7,237,982
Voluntary energy:	
Gas oil	762,702
Total voluntary energy (kWhw)	762,702
Total mandatory & voluntary energy consumption used to calculate emissions (kWhw)	8,000,684

### Intensity Ratio

The chosen primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil (based on the 3rd October 2019 census), which is the recommended ratio for the education sector.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the Academy Trust's buildings, which are the source of the majority of emissions.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):

Emission source	2019/20
<b>Mandatory emissions:</b>	
Scope 1	
Natural gas	899.1
Transport - Company owned vehicles (mini-buses)	34.8
Scope 2	
Purchased electricity (location-based)	495.6
Scope 3	
Transport – Business travel in employee owned vehicles	19.3
<b>Total gross mandatory emissions</b>	<b>1,448.8</b>
<b>Intensity ratios (mandatory emissions only)</b>	
Tonnes of CO <sub>2</sub> e per pupil	0.921
Tonnes of CO <sub>2</sub> e per square meter floor area	0.031
<b>Voluntary emissions:</b>	
Scope 1	
Gas oil	195.8
<b>Total gross voluntary emissions</b>	<b>195.8</b>
<b>Total gross voluntary &amp; mandatory emissions</b>	<b>1,644.6</b>

### Energy efficiency action during current financial year

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. Despite this temporary reduction in energy use, the Trust is committed to reducing longer term emissions and this year has seen the implementation of energy efficiency measures. Throughout this reporting year the Trust has conducted a thorough review of the control settings of all the heating, hot water and air conditioning systems across the whole estate. The settings have all been optimised on both the timing and temperatures to ensure energy is consumed in the most efficient manner. In addition to this, the normal servicing of the heating plant is regularly undertaken.

### Plans for Future Periods

OHCAT has a clear three-year strategy for growth and development, which includes but is not limited to the following activities:

- Quality and standards: a good or outstanding school for every student, with life changing outcomes and meaningful destinations.
- Innovation and specialism: engaging with the evidence to ensure best practice across the Trust, and providing opportunities for staff to share and develop their knowledge and expertise both internally and in the wider education community.
- System leadership: ensuring compliance and accountability at every level through dynamic governance, and using our collective influence to advocate for young people with SEND.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

- Development and growth: working in partnership with local, regional and national stakeholders to provide high quality education for our students; building capacity within the organisation in order to facilitate targeted expansion.
- Nurturing talent: ensuring that OHCAT attracts and retains the highest quality staff, providing exciting career pathways and a strong staff development offer.

### Statement as to Disclosure of Information to Auditors

In so far as each of the Trustees is aware:

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

The Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, and signed on the board's behalf by:



**J Mercer**  
Chair

**26 January 2021**

# Orchard Hill College Academy Trust

## Governance Statement

### Scope of Responsibility

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

The Trustees have delegated the day-to-day responsibility to the Chief Executive Officer (CEO) as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Orchard Hill College Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Due to COVID-19 restrictions, the Trustees have only met physically once during 2019-20, at the autumn term meeting in December 2019. After consulting with lawyers, there was no meeting in the spring term and all trustees agreed a written resolution to delegate necessary approvals as required to the Chair, via Chair's action. Trustees met virtually in the summer term 2020. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jay Mercer	2	2
John Prior	2	2
Barbara McIntosh	2	2
Stephen Lawes	2	2
Kevin Finnigan	1	2
Yolande Burgess	0	2
David Winkler	1	2

The Audit Committee has met physically once during the period. There was no meeting in the spring term due to COVID-19 restrictions. Members received papers by email and comments were invited. The Audit committee members met virtually in the summer term 2020. Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Stephen Lawes	2	2
Kevin Finnigan (Resigned 7.10.19)	0	0
Yolande Burgess (appointed 23.3.20)	0	1

The Remuneration Committee has formally met once during the period. Attendance was as follows:

Committee Member	Meetings attended	Out of a possible
Jay Mercer (OHCAT Trustee)	1	1
Stephen Lawes (OHCAT Trustee)	1	1

The Chair's Committee has formally met once during the period. Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Jay Mercer (OHCAT Trustee)	1	1

The Trustees' overall attendance at committee meetings from September 2019 to August 2020 was 75%.

# Orchard Hill College Academy Trust

## Governance Statement (continued)

In addition to the formal termly Board meetings, the Chief Financial Officer also meets with the Finance Portfolio holder during the first half of each term to maintain financial oversight; the Finance Portfolio holder will feedback on these meetings to other Board members between formal meetings. In addition to Trustees and Committee meetings, Trustees also have regular input into Trust activities outside of the meeting schedule, including regular one to one meetings with the CEO of the Trust, portfolio visits to OHCAT provision, feedback on policy development etc. Due to COVID-19 restrictions, many of these activities were limited but trustees maintained regular contact with senior staff members in order to provide support and challenge.

The Board of Trustees was due to hold its annual conference on 29th June 2020. This will be rescheduled.

The portfolio governance system continues to be monitored and reviewed in response to further growth and development within the Trust.

Trustees have posed regular questions, which has prepared the management team with a demonstration of risk assurance for external audiences and has impacted significantly on planning/process e.g. balanced growth risks, governance model and structure, and succession planning and leadership capacity.

### Review of Value for Money

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

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

### Improving Educational Results through Targeted Intervention and Collaboration

Resources are directed where they are most needed to meet education requirements. As detailed in the Strategic Report section of the Trustees' Report, pupils across OHCAT have continued to make good progress and achieve exciting outcomes. OHCAT academies serve a pupil population characterised by a wide range of additional needs and other barriers to learning; their achievements stand both as testament to their abilities and determination, and as a marker of our continued drive to provide excellent educational opportunities.

The academies have in place a strong system for tracking student progress and achievement coupled with a programme of early and appropriate intervention. In addition, targeted support is provided for students such as booster groups, lunchtime and after school revision clubs, and bespoke and highly personalised work with children and families as appropriate. Senior Leaders monitor the performance of staff and ensure that appropriate actions are taken to address any weaknesses.

Internal and external benchmarking has been used across all schools to identify areas of cost inefficiency and to support LA funding discussions. The Trust has continued to work towards a fully centralised model of back office support services to achieve economies of scale and shared expertise whilst retaining local specialisms and delivery.

### Financial Governance

The governance arrangements include regular monitoring by Local Governing Bodies and overview by the Board of Trustees. The Board of Trustees usually meet three times per year and on each occasion receive relevant financial management reports (including budget, monthly management accounts and cash flow forecasts) relevant to the Trust as a whole and ask questions as detailed in the minutes. The Board of Trustees also receive and approve the Annual Accounts and the external auditors' Findings Report. The Audit Committee usually meet three times a year in order to perform an internal scrutiny role, as previously discussed, and to receive the report of the internal auditors.

At individual academy level, financial information relevant to the academy (including budget, monthly management accounts and cash flow forecasts) are shared with the relevant LGB for comment and review. The LGBs meet three times year. The CFO and her team work closely with academy Principals to ensure that any resource requirements

# Orchard Hill College Academy Trust

## Governance Statement (continued)

to support teaching and learning are adequately met. Financial information and variances are discussed and approved and issues raised on the risk register to ensure senior leaders are aware of any issues in order to remedy promptly.

This governance work is further supported by the appointment of a member of the Board as a Portfolio holder for Finance and Resources. His role involves working more closely with the CFO and ensuring he is fully abreast of financial information at a more detailed level to inform the Board of Trustees.

The CFO produces data for high level reports which includes financial information in a clear and transparent format to include benchmarking data and year on year comparatives to assist with achieving value for money.

### Effective Purchasing and Consolidation

The Trust took initial steps to consolidate the LGPS funds in the year resulting in avoidance of opening an eighth scheme for staff at the new free school. This was approved by the Secretary of State.

Services and contracts are appraised or renegotiated in a timely manner to ensure the best mix of quality and cost effectiveness. Major purchases and contracts are always tendered.

Administrative and “back office” functions such as Facilities, Finance, IT and HR continue to be provided centrally to the schools within the academy trust, and the academies benefit from sharing leadership expertise across the family. There has also been added value from sharing resources to cover absence periods, sharing skills, focusing capacity and delivering training.

The core service contribution applied across all schools to fund the central services teams continues to be reviewed and monitored to ensure schools receive value for money or added value from being part of a multi-academy trust.

During the period, the Academy Trust moved to pooled bank accounts to mirror the geographical hub structure and create greater efficiencies, improve oversight and control and maximise cash surplus availability for investment returns.

Having a centralised finance function allows oversight of purchasing and the ability to review the procurement process. The Academy Trust has gone through a rapid period of growth since inception but over the last 3 or 4 years, the focus has been to develop and establish the procurement function, the objective of which will be to negotiate group contracts; the intention is for academies to join a trust-wide contract when local arrangements terminate. Group procurement achieves economies of scale for areas of highest spend; it also allows interrogation of data to ensure suppliers are competitive, and allows internal and external benchmarking. Plans are underway to review quality, consumption and usage data across the Academy Trust to set strategies to ensure greater efficiency in the future; energy data for all schools is centralised enabling reporting of consumption usage, which will be used to develop the strategy for reducing the carbon emissions across the Academy Trust, in line with Government targets.

There are a number of group tenders in place for most major areas of spend, including cleaning, multi-functional devices and utilities. Consolidation of smaller contracts across the academies is in progress to maximise economies of scale and procure as a group going forward. In the next financial period, group procurement will include catering services and oversee the installation of smart meters for utilities at all sites which will allow energy usage to be monitored and analysed more meaningfully in the future. Both of these projects were delayed due to the coronavirus.

The plan is to appoint a Head of Procurement to will focus on identifying group savings, establishing a group purchasing strategy and a list of preferred suppliers, and benchmarking goods and services contracted. A significant exercise has been undertaken to reduce the cost of recruitment agencies across the Trust which resulted in reducing rates for agency workers and reduced recruitment fees. This is an ongoing project and will continue to be monitored to ensure quality is not affected.

As the Academy Trust grows and the procurement function becomes more established and effective, it is anticipated that greater economies of scale will be achieved through collective purchasing. Collaborative work continues between the Academy Trust and suppliers to review ways in which shared services can be developed to provide best value in conjunction with a high quality and reliable service to demonstrate impact for the academy and pupil experience. In the year under review, a significant project began to upgrade the finance system to a one-database, centralised product to enable a more efficient and effective way of working both operationally and for reporting

# Orchard Hill College Academy Trust

## Governance Statement (continued)

purposes. Whilst the system is now live across all academy sites, development continues to ensure maximum effectiveness for all stakeholders.

In respect of payment practices reporting, supplier payment performance reported an improvement on prior year from 77% of invoices being paid within 30 days to 90%.

Whilst some benchmarking is undertaken both internally and externally for some areas of spend, this is another area for development over the next twelve months and will be more easily facilitated by the consolidated finance system. Other areas for development include standardising methods of monitoring contracts and introducing KPIs in relation to contract to assess both quality and value for money to ensure the best experience is provided to all pupils in the Academy Trust.

### Income generation

Throughout the year the Trust has worked closely with schools and the Local Authorities to ensure maximisation of income streams. This has been most successful in negotiating Element 3 funding and 1:1 additional support at appropriate levels to allow the schools to deliver the bespoke learning package required for the individual pupil needs.

Robust recording systems and reconciliations have been implemented to track funding and claims to the operational activity and to ensure prompt settlement of invoices.

The Trust plans to seek out substantial fundraising partners for future planned capital projects and was successfully secured grants from the Capital Improvements Fund for eighteen projects which are due to commence during 2020-21. These projects cover a range of works including roof, boilers and heating, water safety, fire safety, window and doors, and refurbishment of the lodge. Total funding awarded for these projects is £4.2m, which will be received in the next academic year.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Orchard Hill College Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the finance portfolio holder of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and

# Orchard Hill College Academy Trust

## Governance Statement (continued)

- identification and management of risks.

The Trustees considered the need for a specific internal audit function and have decided to appoint Buzzacott LLP to perform an annual planned schedule of works that was conducted during summer 2020. In future, however, an alternative firm of internal auditors will be sought and appointed for the programme of internal work due to be conducted in Spring 2021, in accordance with the revised FRS Ethical Standard for auditors.

Buzzacott's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During 2019-20, the internal audit work focussed on risk management and funding, and no material weaknesses were identified.

On an annual basis, Buzzacott reports to the Board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Management responded and addressed the issues raised in the report and satisfied the Trustees that appropriate steps had been taken to remedy the findings and were reflective of the rapid growth experienced during the year.

### Review of Effectiveness

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

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

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

A procurement matter has come to light post year end that is being investigated by external professional advisers. The ESFA have been notified. No formal conclusions can be drawn at this stage, nor is it possible to quantify any amounts involved.

Approved by order of the Board of Trustees and signed on its behalf by:



**J Mercer**

Trustee  
26 January 2021



**J Prior**

Accounting Officer  
26 January 2021

## Orchard Hill College Academy Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Orchard Hill College Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

Other than the investigation, as referred to on page 25, that is currently ongoing and for which no conclusions can yet be drawn, I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.



**J Prior**

Accounting Officer

**26 January 2021**

# Orchard Hill College Academy Trust

## Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its 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 in the Charities SORP FRS102 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**J Mercer**  
**Chair of Trustees**  
**26 January 2021**

# Orchard Hill College Academy Trust

## Independent Auditor's Report to the Members of Orchard Hill College Academy Trust

### Opinion

We have audited the financial statements of Orchard Hill College Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. 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), 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) (the Charities SORP FRS102) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS102 and Academies Accounts Direction 2019 to 2020.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

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

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

### Other information

The Trustees 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## Orchard Hill College Academy Trust

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

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

### **Responsibilities of Trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

## Orchard Hill College Academy Trust

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 29 January 2021

Katharine Patel (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

# Orchard Hill College Academy Trust

## Independent reporting accountant's assurance report on regularity to Orchard Hill College Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 12 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Orchard Hill College Academy Trust (the 'Academy Trust'), during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Orchard Hill College Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Orchard Hill College Academy Trust's funding agreement with the Secretary of State for Education dated 10 March 2008 and the Academies Financial Handbook 2019, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

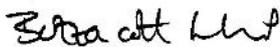
- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;

## Orchard Hill College Academy Trust

- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### Conclusion

Other than the investigation, as referred to on page 25, that is currently ongoing and for which no conclusions can yet be drawn, in the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Date: 29 January 2021

Buzzacott LLP  
Chartered Accountant  
130 Wood Street  
London  
EC2V 6DL

# Orchard Hill College Academy Trust

## Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total for year ended 2020 £000	Total for year ended 2019 £000
<b>Income from:</b>						
Donations and capital grants	2	-	51	558	609	1,386
Transfer on conversion	22	253	-	-	253	(4,531)
Charitable activities:						
Funding for the Academy Trust's educational operations	3	36	55,425	-	55,461	47,420
Provision of boarding activities	24	-	130	-	130	407
Other trading activities	4	254	6	-	260	344
Investment income	5	8	-	-	8	11
<b>Total</b>		<b>551</b>	<b>55,612</b>	<b>558</b>	<b>56,721</b>	<b>45,037</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	6	289	53,392	1,549	55,230	49,904
Provision of boarding activities	24	-	305	-	305	421
Other items:						
Transfer of asset	12, 21	-	-	452	452	-
Pension liability inherited	20	-	-	-	-	4,278
<b>Total</b>	6	<b>289</b>	<b>53,697</b>	<b>2,001</b>	<b>55,987</b>	<b>54,603</b>
<b>Net income / (expenditure) before transfers</b>		<b>262</b>	<b>1,915</b>	<b>(1,443)</b>	<b>734</b>	<b>(9,566)</b>
<b>Transfers between funds</b>	15	-	(1,249)	1,249	-	-
<b>Net income / (expenditure)</b>		<b>262</b>	<b>666</b>	<b>(194)</b>	<b>734</b>	<b>(9,566)</b>
<b>Other recognised gains</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	529	-	529	(7,027)
<b>Net movement in funds</b>		<b>262</b>	<b>1,195</b>	<b>(194)</b>	<b>1,263</b>	<b>(16,593)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		3,335	(26,004)	78,924	56,255	72,848
<b>Total funds carried forward</b>	15 & 16	<b>3,597</b>	<b>(24,809)</b>	<b>78,730</b>	<b>57,518</b>	<b>56,255</b>

All of the Trust's activities derive from continuing operations.

All recognised gains and losses are included in the above Statement of Financial Activities.

# Orchard Hill College Academy Trust

## Balance Sheet as at 31 August 2020

Company Number 08476149

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Tangible assets	12		78,721		78,359
<b>Current assets</b>					
Debtors	13	2,248		2,107	
Cash at bank and in hand		14,510		11,110	
		<u>16,758</u>		<u>13,217</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14a	<u>(5,387)</u>		<u>(5,592)</u>	
<b>Net current assets</b>			<u>11,371</u>		<u>7,625</u>
<b>Total assets less current liabilities</b>					
Creditors: Amounts falling due after more than one year	14b		<u>(34)</u>		<u>(38)</u>
<b>Net assets excluding pension liability</b>			<u>90,058</u>		<u>85,946</u>
Defined benefit pension scheme liability	20		<u>(32,540)</u>		<u>(29,691)</u>
<b>Total net assets</b>			<u>57,518</u>		<u>56,255</u>
<b>Funds of the Academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset fund	15	78,730		78,924	
- Restricted income fund	15	7,731		3,687	
- Pension reserve	15	<u>(32,540)</u>		<u>(29,691)</u>	
<b>Total restricted funds</b>			53,921		52,920
<b>Unrestricted income funds</b>	15		<u>3,597</u>		<u>3,335</u>
<b>Total funds</b>			<u>57,518</u>		<u>56,255</u>

The financial statements on pages 33 to 55 were approved by the Trustees and authorised for issue on 22 January 2021 and are signed on their behalf by



**J Mercer**  
Chair  
26 January 2021

# Orchard Hill College Academy Trust

## Statement of Cash Flows for the year ended 31 August 2020

		2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	4,948	2,995
<b>Cash flows from investing activities</b>	B	(1,544)	(571)
<b>Cash flows from financing activities</b>	C	(4)	(7)
<b>Change in cash and cash equivalents in the reporting period</b>		<hr/> 3,400	<hr/> 2,417
<b>Cash and cash equivalents at 1 September 2019</b>		11,110	8,693
<b>Cash and cash equivalents at 31 August 2020</b>	D	<hr/> <b>14,510</b>	<hr/> <b>11,110</b>

### A Reconciliation of net income/(expenditure) to net cash flow from operating activities

		2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities):		734	(9,566)
Adjusted for:			
Depreciation (note 12)		1,549	1,347
Transfer of asset (notes 12 and 21)		452	
Capital grants from DfE and other capital income		(558)	(1,358)
Amounts received on conversion (note 22)		(253)	4,531
Interest receivable (note 5)		(8)	(11)
Defined benefit pension scheme cost net of contributions payable (note 20)		2,752	2,847
Defined benefit pension scheme finance cost (note 20)		626	509
Net pension liability transferred from Orchard Hill College (note 20)		-	4,278
(Increase)/decrease in debtors (note 13)		(141)	(375)
(Decrease)/Increase in creditors (note 14)		(205)	793
<b>Net cash provided by operating activities</b>		<hr/> <b>4,948</b>	<hr/> <b>2,995</b>

### B Cash flows from investing activities

		2020 £000	2019 £000
Interest		8	11
Purchase of tangible fixed assets		(2,363)	(1,942)
Capital grants received from DfE/ESFA		461	1,295
Capital funding received from sponsors and others		97	63
Cash received on conversion		253	2
<b>Net cash used in investing activities</b>		<hr/> <b>(1,544)</b>	<hr/> <b>(571)</b>

### C Cash flows from financing activities

		2020 £000	2019 £000
Cash inflow from new borrowing		3	-
Repayments of borrowing		(7)	(7)
<b>Net cash used in financing activities</b>		<hr/> <b>(4)</b>	<hr/> <b>(7)</b>

### D Analysis of cash and cash equivalents

		2020 £000	2019 £000
Cash in hand and at bank		14,510	11,110
		<hr/> <b>14,510</b>	<hr/> <b>11,110</b>

### E Analysis of change in net debt

	At 1 September 2019 £000	Cashflows £000	Other non-cash changes £000	At 31 August 2020 £000
Cash	11,110	3,400	-	14,510
Loans falling due within one year	(7)	7	(7)	(7)
Loans falling due after more than one year	(38)	(3)	7	(34)
<b>Total</b>	<hr/> <b>11,065</b>	<hr/> <b>3,404</b>	<hr/> <b>-</b>	<hr/> <b>14,469</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### 1 Statement of Accounting Policies

Orchard Hill College Academy Trust is a charitable company. The address of the Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations are set out in the Trustees' Report.

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

#### ***Basis of Preparation***

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Orchard Hill College Academy Trust meets the definition of a public benefit entity under FRS 102.

#### ***Going Concern***

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. . In forming this assessment, the Trustees have considered the impact of the current coronavirus pandemic on the Academy Trust's activities with a particular focus on its effect on the Academy Trust's financial position including income, expenditure and reserves; the Academy Trust's beneficiaries; and its employees. Whilst we acknowledge the disruption caused by the pandemic to the Academy Trust's day-to-day operations, we confirm that we do not consider this to be cause for material uncertainty in respect to the Academy Trust's ability to continue as a going concern. The Academy Trust has sufficient liquid resources to continue for the foreseeable future, despite the current crisis.

#### ***Income***

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

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

- **Donations**

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

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

- **Other income**

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

- **Interest receivable**

Interest is recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

### **Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

Expenditure is stated net of recoverable VAT.

### **Tangible Fixed Assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

- Freehold Buildings 2% (80 years) straight line.
- Leasehold Buildings – to match the length of the lease subject to impairment review.
- Motor Vehicles 25% (4 years) straight line.
- Furniture & Equipment 25% (4 years) straight line.
- Computer Hardware and software 33.33% (3 years) straight line
- Major Works (£50k - £100k) 10%-20% (5-10 years) straight line

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

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

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### **Liabilities**

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

#### **Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased Assets**

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

#### **Financial Instruments**

The Academy Trust holds only basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate

# **Orchard Hill College Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2020**

### **(continued)**

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

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

#### ***Short-term Employment benefits***

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

#### ***Fund Accounting***

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

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

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

There may be many reasons to make a transfer between funds but for the Academy Trust, it will often reflect the purchase of fixed assets from GAG.

#### ***Conversion to Academy from Local Authority or another Trust***

The conversion from a state maintained school or non-maintained school to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition method.

The assets and liabilities transferred on conversion to Orchard Hill College Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Orchard Hill College Academy Trust. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income as appropriate in the Statement of Financial Activities and analysed under restricted general funds, unrestricted funds and restricted fixed asset fund.

#### ***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.

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## 2 Donations and capital grants

	<b>Restricted funds</b>	
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Capital grants	558	1,358
Other donations	51	28
	<b>609</b>	<b>1,386</b>

## 3 Funding for the Academy Trust's educational operations

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
<b>DfE / ESFA revenue grants</b>				
General Annual Grant (GAG)	-	15,281	15,281	13,013
Start Up grants	-	222	222	255
Other DfE/ESFA grants	-	1,038	1,038	1,020
	<b>-</b>	<b>16,541</b>	<b>16,541</b>	<b>14,288</b>
<b>Other Government grants</b>				
Local authority grants		36,463	36,463	31,040
<b>Exceptional Government funding</b>				
Coronavirus exceptional support	-	12	12	-
<b>Other income from the Academy Trust's educational operations</b>	<b>36</b>	<b>2,409</b>	<b>2,445</b>	<b>2,092</b>
Year to 31 August 2019	<b>149</b>	<b>47,271</b>	<b>47,420</b>	

The Academy Trust has been eligible to claim additional funding in year from governments support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The funding received for coronavirus exceptional support covers free school meals and cleaning costs. These costs are included in notes 6 and 8 below.

## 4 Other trading activities

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Hire of facilities	56	-	56	73
Catering income	101	-	101	142
Other income	97	6	103	129
	<b>254</b>	<b>6</b>	<b>260</b>	<b>344</b>
Year to 31 August 2019	<b>336</b>	<b>8</b>	<b>344</b>	

**Orchard Hill College Academy Trust**  
**Notes to the Financial Statements for the year ended 31 August 2020**  
**(continued)**

**5 Investment income**

	<u>Unrestricted funds</u>	
	2020 £000	2019 £000
Interest on short term deposits	8	11
	<u>8</u>	<u>11</u>

**6 Expenditure**

	Staff Costs (note 8) £000	Non-pay Premises £000	Expenditure Other £000	Total 2020 £000	Total 2019 £000
	Academy's educational operations:				
- Direct costs	33,470	-	2,708	36,178	32,194
- Allocated support costs (note 7)	11,752	4,345	2,955	19,052	17,710
Boarding Activities					
- Direct costs	297	-	8	305	421
Other items:					
Transfer of asset to Orchard Hill College (notes 12 and 20)	-	-	452	452	-
Pension liability inherited from Orchard Hill College (notes 8,9 and 20)	-	-	-	-	4,278
	<b>45,519</b>	<b>4,345</b>	<b>6,123</b>	<b>55,987</b>	<b>54,603</b>

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Net income for the year includes:		
Operating lease rentals	209	122
Depreciation (note 12)	1,549	1,347
Fees payable to auditor for:		
- Audit	29	28
- other services	8	12
Net interest on defined benefit pension liability (note 20)	626	463

Included within expenditure are the following transactions:

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Provision for doubtful debts	-	239

**Orchard Hill College Academy Trust**  
**Notes to the Financial Statements for the year ended 31 August 2020**  
**(continued)**

**7 Charitable activities**

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Direct costs – educational operations	36,178	32,194
Direct costs – boarding	305	421
Support costs – educational operations	19,052	17,710
Asset transferred to Orchard Hill College (notes 12 and 21)	452	-
Pension liability inherited from Orchard Hill College (note 9)	-	4,278
	<b>55,987</b>	<b>54,603</b>

**Analysis of support costs**

Support staff costs	11,752	10,850
Depreciation	1,549	1,347
Technology costs	345	243
Premises costs	2,796	2,513
Legal costs – other	89	91
Other support costs	1,836	1,913
Governance costs	685	753
	<b>19,052</b>	<b>17,710</b>

**8 Staff**

**a) Staff costs**

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Staff costs during the period were:		
Wages and salaries	29,664	26,521
Social security costs	2,884	2,569
Pension costs	8,935	7,591
Pension liability inherited from Orchard Hill College (note 20)	-	4,278
	<b>41,483</b>	<b>40,959</b>
Supply staff costs	3,929	3,905
Severance payments	107	67
	<b>45,519</b>	<b>44,931</b>

**b) Non statutory/non-contractual staff severance payments**

Included in severance payments are non-contractual payments totalling £74,708 (2019: £37,139). Individually, the payments were: £18,000, £14,000, £9,500, £8,000, £7,464, £7,000, £6,744, £2,500 and £1,500.

**c) Staff numbers**

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

	<b>2020 No.</b>	<b>2019 No.</b>
Teachers	265	234
Educational support staff	573	519
Administration and other support	255	215
Management	65	52
	<b>1,158</b>	<b>1020</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### 8 Staff costs (continued)

##### c) Staff numbers (continued)

The average full time equivalent (FTE) of these employees during the period was as follows:

	2020	2019
	No.	No.
Teachers	248	218
Educational support staff	405	364
Administration and other support	194	159
Management	61	50
	908	791

##### d) Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	15	14
£70,001 - £80,000	11	7
£80,001 - £90,000	3	6
£90,001 - £100,000	3	3
£100,001 - £110,000	2	2
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£150,001 - £160,000	1	-
	37	33

##### e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Executive Senior Leadership Team listed on page 1.

The total employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust for the period from 1 October 2019 to 31 August 2020 was £592,377 (2019: £333,402, excluding the CEO, whose services were purchased from the sponsor, Orchard Hill College, in the form of a Service Level Agreement).

Further information regarding transactions with the sponsor is given in note 21.

#### 9 Central services

The Academy Trust has provided the following central services to its academies for the year to 31 August 2020:

- Core services including: Executive Senior Leadership Team, governance and compliance, payroll services, HR. The Academy Trust charges for these services as a percentage of income, ranging between 4.7%-7.0% depending on the academies' OFSTED rating
- In addition, academies have the option to buy into various other central support services including: finance, additional HR support, clerking, IT support services and premises.
- In accordance with the revised reserves policy, from 2019-20 academies contribute to central reserves based on academy group size. Central general reserves are required to invest in capital or asset replacement of business support services, allow to the central function to respond to request from academies for exceptional support in-year and to ease cash flow.

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

The actual amounts charged during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Carew Academy	520	314
Young People's Academy	263	183
The Skills Hub	256	188
Bedelsford School	492	285
Dysart School	348	215
St Philips School	396	250
Nightingale Community Academy	341	278
The Link Primary School	215	158
The Link Secondary School	197	152
Brantridge School	211	150
Grafham Grange School	219	161
St Dominic's School	404	274
Arbour Vale School	752	576
Chart Wood School	232	154
<b>Total</b>	<b>4,846</b>	<b>3,338</b>

These transactions have been eliminated on consolidation of the financial statements.

The Sponsor has continued to deliver core learning support services (including safeguarding, the training school and apprenticeships) to the Academy Trust during the year under a Service Level Agreement, for which the sponsor has charged a core service charge that has been calculated at cost.

The amount paid by the Academy Trust to the Sponsor during the year £197k for core learning support services (2019: £269k for learning support and business support services (£148k and £121k respectively)).

Further details of the transactions between the Trust and the Sponsor can be found in note 8e and note 21.

#### 10 Related Party Transactions – Trustees' remuneration and expenses

The Principals and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees.

During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed to any of the Trustees (2019: £132).

Other Related party transactions involving the trustees are set out in Note 21.

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2020 was £27,504 (2019: £26,223). The cost of this insurance is included in the total insurance cost.

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### 12 Tangible Fixed Assets

	Leasehold Improvements £000	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Computer Software £000	Motor Vehicles £000	Total £000
<b>Cost</b>								
At 1 September 2019	1,459	24,066	52,562	2,879	771	-	299	82,036
Additions	84	6	516	1,047	562	100	48	2,363
Disposals	-	(475)	-	-	-	-	-	(475)
At 31 August 2020	1,543	23,597	53,078	3,926	1,333	100	347	83,924
<b>Depreciation</b>								
At 1 September 2019	211	714	1,346	731	513	-	162	3,677
Charged in year	167	172	430	502	207	-	71	1,549
Disposals	-	(23)	-	-	-	-	-	(23)
At 31 August 2020	378	863	1,776	1,233	720	-	233	5,203
<b>Net book value</b>								
<b>At 31 August 2020</b>	<b>1,165</b>	<b>22,734</b>	<b>51,302</b>	<b>2,693</b>	<b>613</b>	<b>100</b>	<b>114</b>	<b>78,721</b>
At 31 August 2019	1,248	23,352	51,216	2,148	258	-	137	78,359

Disposals of freehold land and buildings includes the transfer of an underutilised property to the sponsor, Orchard Hill College. The transfer was approved by the ESFA (see note 21).

#### 13 Debtors

	2020 £000	2019 £000
Trade debtors	337	578
VAT recoverable	332	386
Other debtors	15	31
Prepayments and accrued income	1,564	1,112
	<b>2,248</b>	<b>2,107</b>

#### 14a Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	809	1,445
Other taxation and social security	1,441	1,283
Other creditors	593	1,116
Accruals	1,437	1,193
Deferred income (see below)	1,107	555
	<b>5,387</b>	<b>5,592</b>

#### Deferred income

	2020 £000	2019 £000
Deferred income at 1 September	555	479
Released from previous years	(346)	(432)
Resources deferred in the year	898	508
	<b>1,107</b>	<b>555</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

At the balance sheet date the Trust was holding funds received in advance for local authority top-up and SLA funding for the autumn term 2020. In addition, the Trust has received grant funding for four new free schools and environmental improvement capital grant for a new academy converter; in total, £136k (2019: £94k) has been deferred to the next academic year.

Included in other creditors are three Salix loans of £7k (2019: £7k) which are provided interest free.

#### 14b Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Other creditors	34	38

Included in other creditors are Salix loans of £34k (2019: £38k), interest free loans provided as part of the condition improvement funding received. The loans will be repaid as follows:

	2020 £000	2019 £000
Amounts due within one year	7	7
Amounts due between one and five years	28	27
Amounts after more than five years	6	11
	<b>41</b>	<b>45</b>

#### 15 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,098	15,281	(9,843)	(1,379)	7,157
Transferred to MAT on conversion	438	-	-	-	438
Start Up Grant	106	222	(192)	-	136
Pupil Premium	-	633	(633)	-	-
Provision for boarding	45	130	(305)	130	-
Other grants	-	39,289	(39,289)	-	-
Other income	-	57	(57)	-	-
Pension reserve	(29,691)	-	(3,378)	529	(32,540)
	<b>(26,004)</b>	<b>55,612</b>	<b>(53,697)</b>	<b>(720)</b>	<b>(24,809)</b>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	73,722	-	(1,122)	-	72,600
DfE/ESFA capital grants	2,447	461	(392)	-	2,516
Capital expenditure from GAG	1,776	-	(390)	1,249	2,635
Other capital funding	979	97	(97)	-	979
	<b>78,924</b>	<b>558</b>	<b>(2,001)</b>	<b>1,249</b>	<b>78,730</b>
<b>Total restricted funds</b>	<b>52,920</b>	<b>56,170</b>	<b>(55,698)</b>	<b>529</b>	<b>53,921</b>
<b>Unrestricted funds</b>					
Transferred to MAT on conversion	2,516	253	-	-	2,769
Unrestricted funds	819	298	(289)	-	828
<b>Total unrestricted funds</b>	<b>3,335</b>	<b>551</b>	<b>(289)</b>	<b>-</b>	<b>3,597</b>
<b>Total funds</b>	<b>56,255</b>	<b>56,721</b>	<b>(55,987)</b>	<b>529</b>	<b>57,518</b>

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

#### GAG funds:

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. £1,249k was transferred to restricted funds for the purchase of Fixed Assets (2019: £756k).

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### Start-up funds:

The Trust received £268k (2019: £255k) in relation to the new free schools and academy conversion for use in set-up and Shared Services. Start-up grants of £106k were brought forward from 2019. The balance at the year end (£136k) will be utilised to continue to progress the five new free schools in the next financial year.

#### Unrestricted funds:

The Trust earned net income of £1k (2019: £151k) in relation to academy activities such as lettings and parent contributions to pupil events; these accumulated funds will be used to further generate income for the academy and to continue to provide IT equipment and enrichment activities for pupils.

In addition, unrestricted reserves have increased by the following amounts received in respect of conversions completed in previous years: a liability transferred to OHCAT crystallised during the year, and the unused accrual brought forward of £110k has been released; and £143k was received from solicitors of a trust whose academies had previously transferred to the Trust.

#### Fixed Asset Restricted funds:

Capital income received in the year was £558k and comprised of:

- CIF funding (£222k) for roof works and fire safety works at Bedelsford School, Dysart School and St Dominic's School;
- Priority Schools Building Projects (PSBP) funding (£115k) for a new performing arts centre at St Dominic's School;
- Other capital funding from the DfE/ESFA (£124k) for investment in capital equipment;
- Funding from two local authorities for (£71k): equipment at Chart Wood School and completion of the new primary provision at Dysart School; and
- Funding from other sources for sensory learning area (£26k).

£1,249k was transferred from restricted funds to support capital purchases.

#### Other restricted funds:

The Trust received other restricted funds in the year to use for the purpose of carrying out educational services.

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,412	13,013	(10,619)	(708)	3,098
Transferred to MAT on conversion	438	-	-	-	438
Start Up Grant	54	255	(203)	-	106
Pupil Premium	-	633	(633)	-	-
Provision for boarding	-	407	(421)	59	45
Other grants	-	33,370	(33,370)	-	-
Other income	-	36	(36)	-	-
Pension reserve	(10,477)	(4,553)	(7,634)	(7,027)	(29,691)
	<b>(8,573)</b>	<b>43,161</b>	<b>(52,916)</b>	<b>(7,676)</b>	<b>(26,004)</b>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	74,438	20	(736)	-	73,722
DfE/ESFA capital grants	1,438	1,295	(286)	-	2,447
Capital expenditure from GAG	1,262	-	(242)	756	1,776
Other capital funding	999	63	(83)	-	979
	<b>78,137</b>	<b>1,378</b>	<b>(1,347)</b>	<b>756</b>	<b>78,924</b>
<b>Total restricted funds</b>	<b>69,564</b>	<b>44,539</b>	<b>(54,263)</b>	<b>(6,920)</b>	<b>52,920</b>
<b>Unrestricted funds</b>					
Transferred to MAT on conversion	2,621	2	-	(107)	2,516
Unrestricted funds	663	496	(340)	-	819
<b>Total unrestricted funds</b>	<b>3,284</b>	<b>498</b>	<b>(340)</b>	<b>(107)</b>	<b>3,335</b>
<b>Total funds</b>	<b>72,848</b>	<b>45,037</b>	<b>(54,603)</b>	<b>(7,027)</b>	<b>56,255</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### Total fund analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Carew Academy	936	725
Young People's Academy	583	356
The Skills Hub	859	740
Bedelsford School	1,431	1,112
Dysart School	718	657
St Philips School	1,037	795
Nightingale Community Academy	250	45
The Link Primary School	1,229	929
The Link Secondary School	541	381
Brantridge School	284	199
Grafham Grange School	607	351
St Dominic's School	1,693	966
Arbour Vale School	667	(195)
Chart Wood School	(283)	(111)
Central Services	776	72
Total before fixed assets and pension reserve	11,328	7,022
Restricted fixed asset fund	78,730	78,924
Pension reserve	(32,540)	(29,691)
<b>Total</b>	<b>57,518</b>	<b>56,255</b>

Due diligence work completed prior to the conversion of Chart Wood school indicated that it was in poor financial health, and a budget deficit was planned for the first year of conversion. However, financial challenges continued in the current year and are expected in 2020-21; a budget deficit has been set for the new academic year, and total accumulated deficit school reserves are adequately covered by the consolidated reserves of the Academy Trust. The budget for 2021-22 and beyond will be set to return the negative reserves to a balanced position.

#### Total cost analysis by academy

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

	<b>Teaching and Educational Support Staff Costs £000</b>	<b>Other Support Staff Costs £000</b>	<b>Educational Supplies £000</b>	<b>Other costs (excluding Depreciation) £000</b>	<b>2020 £000</b>	<b>2019 £000</b>
Carew Academy	4,026	252	154	564	4,996	4,141
Young People's Academy	1,558	129	67	258	2,012	1,945
The Skills Hub	1,486	112	106	137	1,841	1,745
Bedelsford School	3,083	567	156	404	4,210	3,898
Dysart School	2,760	408	166	413	3,747	3,361
St Philips School	2,504	287	88	312	3,191	3,011
Nightingale Community Academy	2,540	295	167	403	3,405	3,183
The Link Primary School	1,619	129	55	158	1,961	1,987
The Link Secondary School	1,052	109	60	138	1,359	1,415
Brantridge School	1,041	182	30	328	1,581	1,394
Grafham Grange School	989	212	38	355	1,594	1,502
St Dominic's School	3,215	586	56	630	4,487	4,194
Arbour Vale School	5,864	443	219	934	7,460	6,580
Chart Wood School	2,011	246	140	335	2,732	1,845
Central Services	74	4,988	-	970	6,032	5,421
	<b>33,822</b>	<b>8,945</b>	<b>1,464</b>	<b>6,339</b>	<b>50,608</b>	<b>45,622</b>
Pension service cost					2,752	2,847
Pension finance cost					626	509
Asset transferred to OHC					452	-
Pension liability transferred					-	4,278
Depreciation					1,549	1,347
<b>Academy Trust</b>					<b>55,987</b>	<b>54,603</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	78,721	78,721
Current assets	3,597	13,152	9	16,758
Current liabilities	-	(5,387)	-	(5,387)
Non-current liabilities	-	(34)	-	(34)
Pension scheme liability	-	(32,540)	-	(32,540)
	<b>3,597</b>	<b>(24,809)</b>	<b>78,730</b>	<b>57,518</b>

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

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	78,359	78,359
Current assets	3,595	9,057	565	13,217
Current liabilities	(260)	(5,332)	-	(5,592)
Non-current liabilities	-	(38)	-	(38)
Pension scheme liability	-	(29,691)	-	(29,691)
	<b>3,335</b>	<b>(26,004)</b>	<b>78,924</b>	<b>56,255</b>

#### 17 Capital Commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	491	9

#### 18 Commitments under operating leases

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

	2020 £000	2019 £000
Amounts due within one year	285	236
Amounts due between one and five years	358	466
	<b>643</b>	<b>702</b>

#### Premises held under service concession arrangements

On conversion of Arbour Vale School, a PFI arrangement transferred from the predecessor local authority to the Academy Trust. The agreement expires on 31 August 2035 when ownership of the property will transfer to the Academy Trust under a long-term lease. The total of the future repayments 31 August 2020 was:

	2020 £000	2019 £000
Amounts due within one year	689	675
Amounts due between one and five years	2,929	3,578
Amounts after more than five years	7,721	7,418
	<b>11,339</b>	<b>11,671</b>

The latest available valuation of the site is £28.2m.

#### 19 Members' liability

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

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### 20 Pension and similar obligations

Orchard Hill College Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both schemes are multi-employer defined-benefit schemes.

The various LGPS schemes are managed as follows:

<b>School</b>	<b>Managed by:</b>
Carew Academy	London Borough of Sutton (LBS)
Young People's Academy	London Borough of Hillingdon (LBH)
The Skills Hub	London Borough of Hillingdon (LBH)
Dysart School	Royal Borough of Kingston upon Thames (RBK)
St Philip's School	Royal Borough of Kingston upon Thames (RBK)
Bedelsford School	Royal Borough of Kingston upon Thames (RBK)
Nightingale Community Academy	London Borough of Wandsworth (LBW)
The Link Primary School	London Borough of Sutton (LBS)
The Link Secondary School	London Borough of Sutton (LBS)
Brantridge School	London Pensions Fund Authority (LPFA)
Grafham Grange School	London Pensions Fund Authority (LPFA)
St Dominic's School	London Pensions Fund Authority (LPFA)
Arbour Vale School	Royal County of Berkshire Pension Fund
Chart Wood School	Surrey Pension Fund

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

Contributions amounting to £799,000 were payable to the schemes at 31 August 2020 (2019: £679,000) and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pensions Scheme

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

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

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

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

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the year amounted to £2,877,000 (2019: £1,781,000).

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £4,261,000 (2019: £3,881,000), of which employer's contributions totalled £3,274,000 (2019: £3,008,000) and employees' contributions totalled £987,000 (2019: £873,000).

The agreed contribution rates for the future years are:

Academy	Employer contribution	Lump sum deficit repayment	Employee contribution
Carew Academy (LBS)	15.7%	-	5.5% - 12.5%
Young People's Academy (LBH)	19.4%	£33,040 pa	5.5% - 12.5%
The Skills Hub (LBH)	19.4%	£25,960 pa	5.5% - 12.5%
Dysart School (RBK)	18.5%	£14,000 pa	5.5% - 12.5%
St Philip's School (RBK)	18.6%	£56,000 pa	5.5% - 12.5%
Bedelsford School (RBK)	18.8%	£40,000 pa	5.5% - 12.5%
Nightingale Community Academy	19.0%	-	5.5% - 12.5%
The Link Primary School (LBS)	18.6%	-	5.5% - 12.5%
The Link Secondary School (LBS)	19.6%	-	5.5% - 12.5%
Brantridge School	14%	-	5.5% - 12.5%
Grafham Grange School	14%	-	5.5% - 12.5%
St Dominic's School	14%	-	5.5% - 12.5%
Arbour Vale School	19.6% from Apr-20; 20.6% from Apr-21 and 21.6% from Apr-22	-	5.5% - 12.5%
Chart Wood School	19.7%	-	5.5% - 12.5%
Central services (LBS)	18.6%	£50,000 pa	

#### Local Government Pension Scheme (continued)

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

#### Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.15%	3.15%
Rate of increase for pensions in payment/inflation	2.15%	2.15%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.15%	2.15%
Commutation and all other demographic assumptions are consistent with those used in the statutory valuations of the relevant LGPS funds		

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.3	21.8
Females	23.8	23.9
<i>Retiring in 20 years</i>		
Males	22.5	23.1
Females	25.4	25.4

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### Sensitivity analysis

The follow table illustrates the effect a change in the various assumptions may have on the pension liability:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	(1,582)	(1,523)
Discount rate -0.1%	1,633	1,570
Mortality assumption – 1 year increase	1,876	1,465
Mortality assumption – 1 year decrease	(1,670)	(1,312)
CPI rate +0.1%	1,443	1,384
CPI rate -0.1%	(1,403)	(1,347)

The Academy Trust's share of the assets in the schemes were:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Equities	15,336	14,219
Gilts	646	438
Corporate bonds	4,544	3,013
Property	2,683	1,982
Cash and other liquid assets	1,113	801
Other	6,118	4,572
	<b>30,440</b>	<b>25,025</b>
Total market value of assets	(62,980)	(54,716)
Defined benefit obligation	<b>(32,540)</b>	<b>(29,691)</b>
<b>Net pension liability</b>		

The actual return on scheme assets was £1,528,000 (2018: £310,000)

#### Amount recognised in the statement of financial activities

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Current service cost (net of employer contributions)	(2,590)	(2,447)
Past service cost	(162)	(400)
Interest income	511	572
Interest cost	(1,045)	(1,035)
Administration expenses	(92)	(46)
<b>Total amount recognised in the SOFA</b>	<b>(3,378)</b>	<b>(3,356)</b>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	54,716	25,666
Current service cost	5,864	5,445
Past service cost	162	400
Interest cost	1,045	1,035
Employee contributions	989	874
Actuarial loss	663	7,983
Benefits paid net of transfers in	(459)	(461)
Effect of business combinations	-	7,612
Defined benefit obligations in relation to staff TUPE'd from Orchard Hill College	-	6,162
	<b>62,980</b>	<b>54,716</b>
<b>At 31 August</b>		

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

#### Changes in the fair value of the Academy Trust's share of scheme assets:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	25,025	15,189
Interest income	511	572
Return on plan assets (excluding net interest on the net defined pension liability)	1,192	956
Employer contributions	3,274	2,998
Employee contributions	989	874
Benefits paid	(459)	(461)
Administration expenses	(92)	(46)
Effect of business combinations	-	3,059
Scheme assets transferred in relation to staff TUPE'd from Orchard Hill College	-	1,884
<b>At 31 August</b>	<b>30,440</b>	<b>25,025</b>

#### 21 Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

#### Expenditure related party Transaction

##### *Orchard Hill College – Academy Sponsor*

Service Level Agreements were in place between the Sponsor and the Trust to provide the following core and additional learning support services to the Trust:

- Safeguarding Lead;
- Therapy and nursing services;
- Family Liaison Officer (limited access);
- Training Support;
- Co-ordination of apprenticeships;
- Digital Learning support;
- Occupational health services; and
- Health and Safety.

Under the service level agreements for learning support services, the costs incurred by the Trust were as follows:

<b>Service Provided</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Core Service Contribution	196,857	269,286
<i>Additional services</i>		
Therapy and nursing services	136,186	178,165
Premises service	-	10,000
Health and Safety	7,282	10,710
IT Support	-	24,878
Digital School	41,360	27,016
HR service	-	725
Clerking / PA service	-	584
Finance services	-	38,333
Occupational Health	19,250	16,500
Other	-	-
<b>TOTAL</b>	<b>400,935</b>	<b>576,197</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

Services were provided 'at cost' during the period. A pro-forma statement of assurance has been completed and signed. In entering into the original transaction the trust has complied with the requirements of ESFA's Academies Financial Handbook.

Support from bespoke services has enabled the Academy Trust to make rapid improvements. Services have been provided at cost and have been assessed against similar services available externally at current market value. The Trust considers the service level agreements to be Value for Money both in terms of pricing and in terms of the service offered. In all service areas the Academy Trust has a wider range of skills available, greater capacity and more flexibility. As the Academy Trust grows it is anticipated that individual academies will benefit from economies of scale.

The Academy Trust made an application to the ESFA in 2017 to lease a property to Orchard Hill College to use the premises to build students' skills for independent living. The property concerned is a house transferred on conversion of the Link Schools in July 2017 but was underutilised and costly to the schools. In February 2020, the ESFA approved the transfer on a 50 year lease on the agreement that both organisations mutually benefit from the arrangement. The transfer has been recorded at the net book value of the property at the time of transfer, an amount of £452k (see note 12).

*Silica Associates* – a company in which Mr R Venchard (Trustee of the Sponsor, Orchard Hill College) has a majority interest:

- The Trust purchased project management services from Silica Associates totalling £27,300 (2019: £46,600) during the period. There were no outstanding amounts at 31 August 2020 was (2019: NIL).
- Services were provided 'at cost' during the period. A pro-forma statement of assurance has been completed and signed.
- In entering into the original transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook.

#### Income Related Party Transaction

Service level agreements were in place between the Academy Trust and the Sponsor to provide business support services (to cover staff and non-staff costs for core and additional services as described on page 50) during the period. The total income received from Orchard Hill College during the period is as follows:

	2020	2019
	£	£
<b>Business support service</b>		
Premises	294,024	213,120
IT Support	357,950	190,916
HR service	156,434	98,026
MIS	102,989	94,195
Finance services	134,381	101,178
PA support	28,822	42,267
Marketing service	78,466	68,902
Digital school	61,595	47,869
Senior leadership, governance and school improvement	127,003	35,331
Core service contribution	835,070	837,250
<b>TOTAL</b>	<b>2,176,734</b>	<b>1,729,054</b>

Business support staff transferred from the Sponsor, Orchard Hill College on 1 October 2018, and therefore comparative figures are for the period from 1 October 2018 to 31 August 2019.

During the year three academies received income from the Sponsor, Orchard Hill College:

- Nightingale Community Academy received £91,000 (2019: £99,000) being: rental income from letting an area of the building to the College for the Wandsworth centre; and for providing vocational courses to College students;
- Bedelsford School received £26,485 (2019: NIL) for services provided to deliver a Service Level Agreement between the Sponsor and an external party; and
- The Skills Hub received £20,989 (2019: NIL) for services provided by the Behaviour Support Team to College centres;

Included in debtors is £465,826 due from Orchard Hill College at 31 August 2020 (2019: £522,352 due to

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2020

### (continued)

Orchard Hill College).

#### 22 Conversion to an Academy Trust

There have been no academy conversions during the current year.

However, a liability transferred to the Academy Trust on conversion of academies during 2017 was settled during the year and the balance of the unused accrual has been released to the Statement of Financial Activities (£110,000).

Furthermore, £143,000 was received from the solicitors of a liquidated company whose schools had transferred to the Academy Trust in January 2018.

Both these amounts have been accounted for as transfers on conversion.

#### 23 Events after the balance sheet date

In September 2020, Chart Wood School moved from temporary accommodation to a newly refurbished site in Dorking, when ownership of the property transferred from the local authority to the academy trust. A formal valuation of the site has been commissioned, and the property will be included in the balance sheet for the year to 31<sup>st</sup> August 2021.

To coincide with the re-location, the school was re-branded and now operates as Unified Academy.

Other than the above, there were no other events after the balance sheet date that would require adjustment to these financial statements in accordance with FRS 102 (Events after the balance sheet date).

#### 24 Provision of boarding activities

	2020 £000	2020 £000	2019 £000	2019 £000
<b>Income</b>				
Fee income	130		394	
Other income	-		13	
	<u>          </u>	130	<u>          </u>	407
<b>Expenditure</b>				
<b>Direct costs</b>				
Staff costs	297		408	
Other direct costs	8		13	
	<u>          </u>		<u>          </u>	
<b>Total operating costs</b>		<u>(305)</u>		<u>(421)</u>
<b>Deficit on Boarding</b>		<u>(175)</u>		<u>(14)</u>

During the year, the Academy Trust operated two residential provisions, all of which had been inherited at conversion. Due to lack of financial viability, the strategic decision was taken by the Board to discontinue all the residential offering and both closed on 31 August 2020.

**Orchard Hill College Academy Trust**  
**Notes to the Financial Statements for the year ended 31 August 2020**  
**(continued)**

**25 Comparative information**

**Statement of Financial Activities for the year to 31<sup>st</sup> August 2019**

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total for year ended 2019 £000
<b>Income and endowments from:</b>				
Donations and capital grants	-	28	1,358	<b>1,386</b>
Transfer on conversion	2	(4,553)	20	<b>(4,531)</b>
Charitable activities:				
Funding for the Academy				
Trust's educational operations	149	47,271	-	<b>47,420</b>
Provision of boarding activities	-	407	-	<b>407</b>
Other trading activities	336	8	-	<b>344</b>
Investment income	11	-	-	<b>11</b>
<b>Total</b>	<b>498</b>	<b>43,161</b>	<b>1,378</b>	<b>45,037</b>
<b>Expenditure on:</b>				
Charitable activities:				
Academy trust educational operations	340	48,217	1,347	<b>49,904</b>
Provision of boarding activities	-	421	-	<b>421</b>
Other Items: Pension liability inherited				
		4,278		<b>4,278</b>
<b>Total</b>	<b>340</b>	<b>52,916</b>	<b>1,347</b>	<b>54,603</b>
<b>Net income / (expenditure) before transfers</b>	<b>158</b>	<b>(9,755)</b>	<b>31</b>	<b>(9,566)</b>
<b>Transfers between funds</b>	(107)	(649)	756	-
<b>Net income / (expenditure)</b>	<b>51</b>	<b>(10,404)</b>	<b>787</b>	<b>(9,566)</b>
<b>Other recognised gains</b>				
Actuarial gains on defined benefit pension schemes	-	(7,027)	-	<b>(7,027)</b>
<b>Net movement in funds</b>	<b>51</b>	<b>(17,431)</b>	<b>787</b>	<b>(16,593)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	3,284	(8,573)	78,137	72,848
<b>Total funds carried forward</b>	<b>3,335</b>	<b>(26,004)</b>	<b>78,924</b>	<b>56,255</b>