

**ORCHARD HILL COLLEGE ACADEMY TRUST**

**Company Limited by Guarantee**

**Annual Report and Financial Statements**

**Year ended 31 August 2021**

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

# Orchard Hill College Academy Trust

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# Orchard Hill College Academy Trust

## Reference and Administrative Details

Members	S Howlett 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) D Winkler (Resigned 24.6.21)
Company Secretary	T Goodsell
Executive Senior Leadership Team	
CEO	J Prior
Executive Principal/Deputy CEO	L Cornwell
Chief Finance Officer	C Jenkins
Chief Operating Officer	J Sherborne (Resigned 31.8.21)
Chief Operating Officer	S Dixon (Appointed 1.8.21)
Executive Director of Development	L Barratt (Appointed 1.4.21)
Principal and Registered Office	8th 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  Barclays Corporate Banking 1 Churchil Place Canary Wharf London E14 5HP
Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lanme Bristol BS1 5WS
Internal Auditor	TIAA Ltd Artillery House, Fort Fareham Newgate Lane Fareham PO14 1AH

# 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 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operated 15 schools during 2020-21; 14 special academies and one alternative provision academy 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
- Unified Academy, in Surrey, for boys aged 9-16 with social, emotional and mental health needs.
- Addington Valley Academy, a new Free School in Croydon, for pupils with autism and complex needs. The academy occupied a temporary site during 2020-21 to accommodate Year 7 pupils, and will move into the new free school building in September 2021. The new building has capacity to accommodate 150 pupils aged 2-19.

The academies' pupil capacity (planned places as stated in the individual academy's supplementary funding agreement) and numbers on roll (as at the January 2021 school census) are shown below.

<b>Academy</b>	<b>Planned Places</b>	<b>Numbers on roll</b>
Carew Academy	230	261
Young People's Academy	60	58
The Skills Hub	50	70
Dysart School	150	134
Bedelsford School	120	120
St Philip's School	185	172
Nightingale Community Academy	120	111
Link Primary School	50	59
Link Secondary School	56	61
St Dominic's School	150	138
Grafham Grange School	70	49
Brantridge School	54	46
Arbour Vale School	304	320
Unified Academy	120	92
Addington Valley Academy	150	23
<b>TOTAL</b>	<b>1,869</b>	<b>1,714</b>

# 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 one.

#### 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.

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, data protection 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 opportunity to take part in training and development 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 academy.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

Trustees are 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 local 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 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 (LGB) to support the Principal and to provide a local governance role. The Principal of each academy reports either to the CEO or the Executive Principal/Deputy CEO, who seek input from the LGB Chair with regard to the Principals' appraisals. The Executive Principal/Deputy CEO, CFO, COO and EDD all report to the CEO.

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 five Members with two vacancies, 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 (Resigned 24.6.21)

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, TIAA Ltd 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)
- Executive Director of Development (EDD)
- All Academy Principals
- College Principal

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

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

- The Chair of OHCAT Board
- The Chair of OHC Board
- One other OHCAT Trustee
- One other OHC Trustee

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.

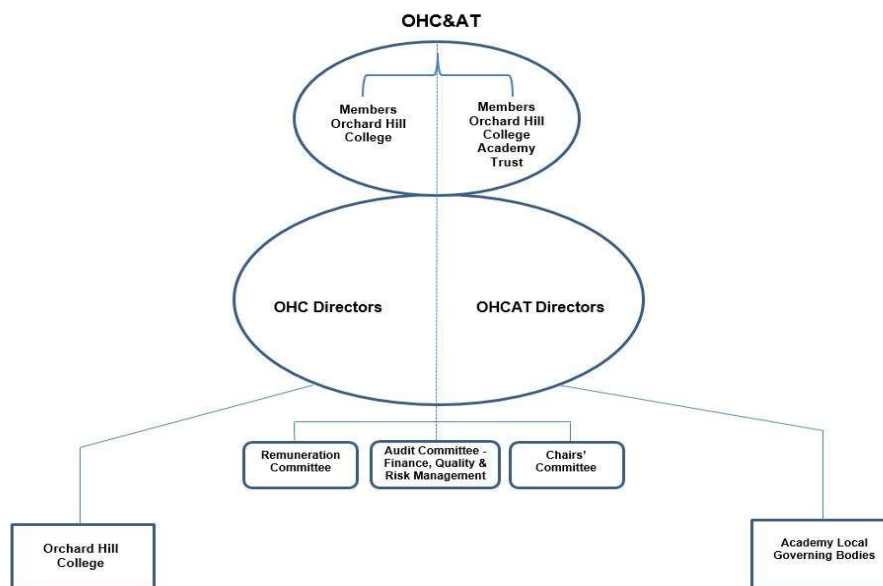
### Trade union facility time

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.



# Orchard Hill College Academy Trust

## Trustees' Report (continued)

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 Trustees to the Trust in agreement with all other Trust members.

### Engagement with employees

Internal communication and staff engagement channels are in place to provide information organisation-wide, for example termly CEO bulletins, fortnightly Principals' bulletins and the intranet, as well more specifically 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 works collaboratively with unions. An in-house occupational 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 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



# Orchard Hill College Academy Trust

## Trustees' Report (continued)

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 1st September 2020 the Trust operated with 15 academies and central services, while Orchard Hill College offered 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

#### 1.1 Overview of Development

In keeping with OHCAT's strategic 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 2020-21.

#### 1.2 OHCAT strategy

The period under discussion has seen the continuation of 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

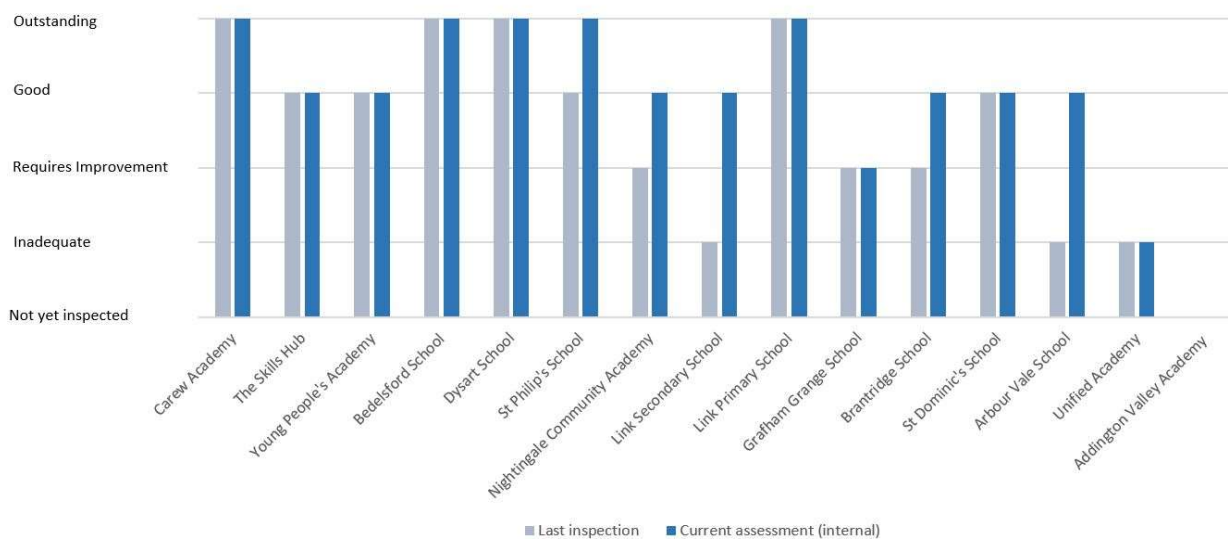
Since inception in 2013, ten of OHCAT's fifteen academies have received at least one post conversion Ofsted inspection. There continues to be a strong upward trend, with all but two academies either maintaining a Good or Outstanding judgement or improving on the previous judgement.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

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 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.

Four academies are yet to receive their first post-conversion inspection due to delays both pre and during Covid. One academy opened as a new Free School in September 2020. Our 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, or where their status pre-conversion was good, at least maintain that judgement, with three 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.



Summer 2019, 2020 and 2021 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 syllabi and demanding exam arrangements for students with SEND, not the least the disruption brought by Covid. Like Summer 2020, Summer 2021 outcomes were Centre Assessed Grades (CAGs) and these CAGs received no downward external moderation. The total GCSE point score across all subjects (twenty-one subjects in 2021) and grades across the Trust increased by 50% between summer 2019 and 2021. GCSE point score across the Trust within the 4-9 grade band increased from 64 in Summer 2019 to 213 in Summer 2021, demonstrating not only a continued increase in participation but also a continued acceleration in the standard of pass. 2021 also saw further A-level success for students in two of our schools, with a 31% increase in total A-level point score between Summer 2019 and Summer 2021, which represents exceptional achievement for this cohort. 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. Functional Skills in English and maths at Level 1 show a decrease in point score between 2019 and 2021, but this is likely to be largely attributable to changes in assessment methodology after 2019. Between Summer 2020 and 2021, pass rates at Level 1 and 2 remained largely static, although improved significantly at Level 1 for both English and maths.

Attendance remained strong throughout 2020-21, despite Covid's continuing impact. In the spring term, prior to full reopening of schools on 8<sup>th</sup> March 2021, average onsite attendance across the Trust was approximately 50%, against the national special school average of c.35%. Following full reopening, average attendance rose to approximately 70% with some OHCAT provisions registering 90% plus for the remainder of the spring term. While

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

attendance figures within Trust schools do vary contextually, making it hard to produce a meaningful headline Trust-wide figure, onsite attendance continued to climb over the summer term and most OHCAT schools finished the year some way in excess of the pre-Covid national special school average of 89.1%.

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 March 2021 shows the NEET rate (England) for 16-24 year olds at 11.3% and for 18-24 year olds 13.0%. For 16-18 year olds, this figure is 7.5%. In London, the NEET rate was 6% for 16-17 year olds with SEND, and 6.3% for those 16-17 year olds with an EHCP. 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 (16-24) in England with a mental health condition moved from 7.7% in 2012 to 20.8% in 2020. The consolidated NEET rate for all OHCAT leavers (16+) in summer 2021 was commensurate with 2019's figure of 8.3%. This shows that students with complex needs across the Trust continue to be exceptionally well prepared for their next destination.

### Apprenticeships

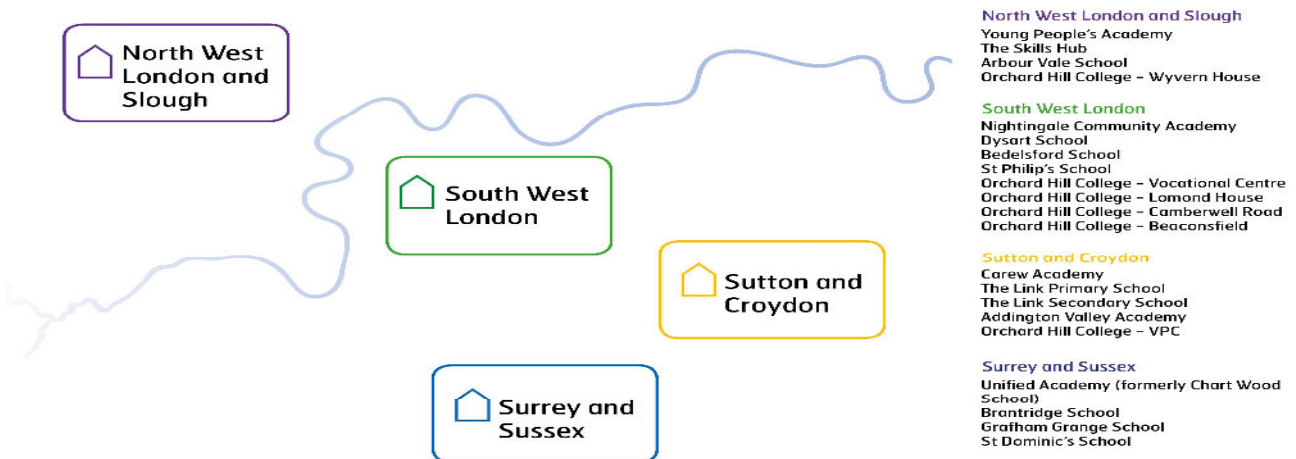
In the period from 1 September 2020 – 31 August 2021 there were three apprentices continuing from the previous period and a further six apprentices were appointed within the period. Apprenticeships are currently offered at Level 2 and beyond in Healthcare, Teaching and Learning, Customer Service, Facilities, Farm, Premises, IT, Human Resources and Finance.

OHCAT currently has 1.02% of current workforce as apprentices (1 October 2021).

### 1.4 Academy Updates

OHCAT operates a four hub regional model which is well embedded within the Trust:

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



The development of the hub model is starting to more effectively support the Trust to offset potential limitations

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

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. 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.

Whilst Covid continued to be a disruptor, the Trust's internal assurances, including regular quality and risks monitoring by the CEO and Executive Principal/Deputy CEO, showed that quality of education remained typically strong within the parameters of Covid restrictions. This included the delivery of a blended, recovery curriculum 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.

Alongside the school delivery, a number of key developments took place across OHCAT during the period under discussion, including:

- Unified Academy (formerly 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. A substantive Principal was appointed on 1 April 2021 and further appointments were made to strengthen the governing body. The school moved to a newly refurbished site in Dorking from September 2020.
- Three DfE Significant Change business cases were submitted to the Regional Schools Commissioner to seek approval to amend their Funding Agreements as follows:
  - Dysart School – to add a satellite site at the former North Kingston Children's Centre for September 2021 and increase capacity from 125 to 150. This was approved and the additional site was operational from 1<sup>st</sup> September 2021.
  - Bedelsford School – the business case was to increase capacity from 90 to 120 following incremental growth over the last five years. This was approved.
  - Nightingale Community Academy – the business case is to increase capacity from 93 to 120 following incremental growth over the last five years. This was approved.
- The Trust has been working with Achieving for Children (AfC), which provides children's services in Kingston, and Kingston Council to progress a proposal for a post-16 SEND campus for the college and Dysart, St Philip's and Bedelsford schools. The proposed campus is intended to offer local pathways to some young people already attending the special schools and to other local young people attending nearby who might benefit from having additional post-16 choice. As well as classroom spaces for young people with different needs and abilities, the campus would aim to ensure the provision of a flat for independent-living practice and a wide range of vocational workshops giving young people sustainable employability skills.
- The Trust is in discussion with West Sussex County Council for growth at Brantridge School via an expansion into a co-ed secondary provision which is likely to take effect with a small cohort of Year 7 pupils from September 2022.
- The Trust's contribution to the wider field of SEND and 'building the specialism' has been firmly established this year, with a number of our schools providing an outreach service and training to mainstream and special schools. In addition, many of our expert practitioners across the Trust have contributed articles and best practice pieces across specialist and education media, as well as providing SEND-specialist guest contributions to the Diploma in Education & Training (DET) offered by Orchard Hill College, in order to enhance the specialist knowledge of both internal and external trainees on the course.
- The Trust continued to refine and develop its CPD offer, in line with stated strategic priorities around developing the specialism and nurturing talent:
  - Staff specialist and professional networks (School Business Managers, Designated Safeguarding Leads, Careers Leads, Exams Officers) continued to add value, providing vital cross-linking of best practice, resources and information sharing. In particular, the monthly Designated Safeguarding Lead (DSL) forum continued to be a rich source of knowledge exchange and resource sharing throughout 2020-21, enabling a consistent and evidence-led response to current safeguarding issues. Meetings have covered the impact of online gaming on self-regulation and mental health, effective support for self-harm and supporting staff who experience sexualised behaviour from students, as well as looking at the early implications of nationwide agendas such as Everyone's Invited. This forum has also enabled greater triangulation of compliance requirements e.g. updates to the Child and Adult Protection and Safeguarding Policy and discussion around meeting the incoming statutory requirements for Relationships and Sex Education. The annual Safeguarding Conference was held online on 8<sup>th</sup> June, with keynote presentations from Dr Pooky Knightsmith and

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

- Natasha Devon; feedback from attendees including DSLs, Principals, senior OHC&AT staff and governors was extremely positive.
- Principals' away days were held termly (two virtual and one face to face), led by the CEO and Deputy CEO, enabling a collegiate approach to key operational and strategic matters. Other networks (Careers Leads, exams officers, maths leads and English leads) have operated flexibly throughout the year in response to need, maintaining email contact with online meetings organised as required.
  - Ahead of the incoming Early Career Framework reforms (ECF), the Trust conducted a year-long project to assess current and future support for all early career teachers, including academy DET graduates who sit outside the statutory ECF reforms. Following a detailed scoping exercise across the year, Wandle Teaching School Hub (WTSH) were selected to deliver the statutory induction programme to all eligible OHCAT ECTs, and the National Teacher Accreditation (NTA) to act as Appropriate Body across the Trust. From September 2021 the Trust will develop an internal induction programme for DET graduates, aligned to the ECF, in order to ensure that all early career teachers at OHCAT are supported to develop their skills and SEND specialism post-qualification.
  - An initial development day for Business Services staff was held online in February 2021, covering key compliance matters such as safeguarding, fraud awareness and cyber-security as well as staff wellbeing and strategic updates. Feedback from staff was very positive and termly Business Services development days will be held from next academic year.

### Continued response to Covid

Since March 2020, when the national lockdown was announced, the Trust academies remained open and adapted to deliver a blended education provision. The key developments and innovative practice from that period continued and evolved into this current period.

With the lifting of restrictions as per the government roadmap, systems of controls (e.g. social distancing and other actions to reduce the spread of infection) remained in place, as did our very thorough Covid Risk Assessments. This meant that whilst our schools were operating in a much more consistently 'standard' way, restrictions still applied and staff were required to operate in Covid safe ways.

We have participated in the national free school meals voucher scheme and have acted as a facilitator to distribute the vouchers to the families of eligible pupils. No additional costs have been incurred.

Transferable learning from the Trust's 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.

### 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:

- Carew Academy: a 246-place special school for pupils aged 5-18 with a range of additional learning needs including autistic spectrum disorders, Carew Academy will absorb the current Carew Academy provision 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, Following a judicial review by an independent planning inspector, the Secretary of State for the Ministry of Housing, Communities and Local Government granted planning consent in May 2021. Therefore, the earliest handover date for the new school will be the end of 2023.
- 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 April 2022 for YPA and during 2022-23 for YPH.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

- Addington Valley Academy: this 150-place Croydon special school for pupils aged 2-19 with autism and complex needs opened in temporary accommodation in September 2020 and moved to its new permanent building from September 2021.
- Wings Academy: this 90-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

The Board have considered the going concern assessment which includes the principal financial uncertainties facing the Academy Trust between now and December 2022, and feels the Trust has adequately protected its position to continue operating with appropriate reserve levels for at least a 12 month period from the date of approval of this report and there are no material uncertainties in this regard.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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

#### Financial performance and position

The better than expected performance was largely down to the Coronavirus pandemic as local authority funding was again 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. These additional resources will be deployed during the next financial year as it is anticipated that staff absence due to the Coronavirus will continue thereby increasing agency spend.

Some staffing restructures have been deferred during the period as it has not been possible to implement these plans as quickly as intended due to changes in the labour market. Also, some provisions have faced challenges in recruitment due to the lack of suitable candidates available locally. The restructuring plans will be implemented in the next financial year.

Again, there is likely to be additional spend in other areas as a result of COVID-19, such as agency staff to cover absence, equipment and changes to cleaning regimes. There are plans to make significant investment in the IT infrastructure to further improve the experience and stability of the remote platforms. Overall the Academy Trust received catch-up and mass-testing funding of £452k and £318k respectively; £83k of the catch up funding has been deferred to the next academic year. The Skills Hub received alternative provision transition funding of £27k to support 2019-20 Year 11 pupils into post-16 education. The Academy Trust did not access the Job Retention Scheme.

#### Principal risks, key factors and uncertainties

Future significant financial uncertainties and risks 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. The Trust ensures it keeps abreast of national policy changes and key updates from central government; members of ESLT meet regularly with national, regional and local sector bodies including the DfE, ESFA, Regional Schools Commissioners, Confederation of School Trusts (CST), London Councils' Young People's Education & Skills, and local authority commissioners, enabling dialogue around the implications of possible funding changes;
- Solvency of Local Authorities; the Academy Trust has high levels of cash reserves to withstand fluctuations in cash flow and risk is mitigated due to working across 38 local authorities. Cash balances are pooled into hub accounts to maximise stability and balance risk;
- Increasing frequency of banding reviews and disparity between banding rates offered for SEND provisions between local authorities. The Academy Trust advocates challenges and protects funding to ensure it is fair and appropriate, and meets with the minimum funding guarantees. The Academy Trust has strong positive relationships with commissioners;
- Non-eligibility for condition improvement fund (CIF) will place more reliance on local authority support to secure capital for investment in estates as the school condition allocation (SCA) may be less favourable but offers more

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

certainty. A fundraising manager has been appointed to maximise funding streams to support the delivery of the estates strategy. The level of accumulated general reserves will offset this significant change in policy;

- Impact of increases to pay scales rising more quickly than increases to income creating funding gaps. The Academy Trust is proactive in adapting agile cost structures and securing funding to deliver balanced budgets for each academic year;
- Likelihood of increased employer pension costs for the Local Government Pension Scheme and the Teachers' Pension Scheme and other government taxation. As before, measures are taken to deliver balanced budgets without having to draw on accumulated reserves for day-to-day operations;
- Removal of government funding for increases to teachers' pay and employers' contributions to the teachers' pension scheme and lack of control over allocation from local authorities. Long term financial forecasts are prepared to identify the impact of the expected changes and local cost models are modified;
- Widening gaps in long term deficits of the Local Government Pension Scheme. The Trust is reviewing the long-term performance and suitability of the seven LGPS funds;
- Increasingly, sites are operating at capacity, with some academies experiencing significant waiting lists as demand exceeds places available. The estates strategy focuses on identifying opportunities for growth in collaboration with the local authorities; and
- Impact and effect of Brexit with specific regards to procurement, contracts and supply chains. A Head of Procurement was appointed during the year, and together with a robust capital project planning and review cycle, problems can be quickly identified and risks mitigated.

### Performance and overall financial position

The main sources of funding for the Academy Trust are from:

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

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. These sources of funding are utilised to deliver the five strategic objectives: quality, standards and reputation; Innovation and specialism; development and growth; system leadership; and nurturing talent, as described in greater detail on page 7.

Income for the year to 31 August 2021 (excluding restricted fixed assets) was £61.1m (2020: £56.2m) and was derived principally from ESFA and local authority funding but also includes start up grants relating to the opening of the new free schools and additional coronavirus funding.

Expenditure (excluding depreciation, pension liability transferred from Orchard Hill College and other FRS102 pension adjustments) for the year ended 31 August 2021 was £57.4m (2020: £50.6m). 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 £47.9m (2020: £42.8m).

The net position for the year, therefore, was a revenue surplus of £3.7m (2020: £5.6m).

### General reserves

From the revenue surplus of £3.7m, £1.1m (2020: £1.3m) was invested in fixed assets and the overall net increase in general reserves was £2.6m (2020: £4.3m). Total general reserves have increased from £11.3m to £13.9m during the year to 31 August 2021.

As at 31 August 2021 the Academy Trust had unrestricted reserves of £3.6m (2020: £3.6m), being accumulated net funds generated from trading activities outside providing education and surpluses transferred to the Trust on the conversion of new academies.

As shown in note 15, all academies and central services had positive accumulated general reserves at the year end. However from an operating perspective, two provisions reported deficit position for the year under review; Unified Academy, the most recent sponsored academy to join OHCAT, which has faced funding challenges since conversion; and the central services area, where leadership identified the need to invest in consultancy and advisory services to support the longer term IT strategy and to respond adequately to changes in working practices in response to covid-19.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### *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 £2.7m for eighteen projects awarded in June 2020. These projects cover a range of works including safeguarding, roof replacement, boilers and heating, water safety, fire safety, window and doors, and refurbishment of the lodge. Total funding awarded for these projects is £4.2m.

In September 2020, Unified Academy re-located to the refurbished premises and the asset has been recognised on the academy trust balance sheet as a long-leasehold property. The site has been valued at £9.8m by professional surveyors at fair value with reference to depreciated replacement cost.

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.

As at 31 August 2021 the net book value of Fixed Assets was £89.9m (2020: £78.7m). 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 £45.6m (2020: £32.5m) as at 31 August 2021. 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. 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 and it is a requirement for all academies to hold reserves equivalent to a range of between 45 and 60 days of expenditure (excluding depreciation and other FRS102 pension adjustments). This change was effective from 1 September 2020 and 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 estate's strategy.

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 programmes as identified in the estates strategy, particularly as the Academy Trust no longer qualifies for the condition improvement fund;
- 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.



# Orchard Hill College Academy Trust

## Trustees' Report (continued)

The following table details any material requests by schools to designate their general reserves for specific medium-term projects:

Academy	Plan for reserves	Estimated project cost £'000	Ringfenced reserves £'000
Bedelsford School	Plans for first floor extension	Approx £1.6m	850
St Philip's School	To replace Willow Block	Cost not yet quantified	500
The Link Schools	Suitability of current site under review and expansion of PDA provision	Cost not yet quantified	1,300
Grafham Grange	Replacement of 3G pitch – condition of grant to replace in 2028	Approx £300k	200
St Dominic's	Replacement of KS2 building and other major works	Cost not yet quantified	900
Arbour Vale	Legal and profession fees associated with PFI contract	Capped at 2% of building value, or approx. £388k	310
Kingston and Hillingdon schools, and OHCAT central services	LGPS deficit repayment	Total payments of £359k between September 2021 and March 2023	359
Various academies	Capital commitments at August 2021 in relation to CIF and other major projects	Disclosed in note 17	1,336
	<b>Total ring-fenced reserves</b>		<b>£5,755</b>

ESLT consider these requests are in accordance with key priorities and the strategic aims of the organisation and these plans will be implemented in line with the estate's strategy.

The pension reserve is materially in deficit at £45m at the year end. However, this is an annual accounting valuation and has no bearing on the cashflows or annual budgets the academies have available. For all schools, the liability is covered by the value of the school site, except for Arbour Vale School, a PFI school, where asset will not be recognised on the balance sheet until the end of the PFI contract in 2035. Tri-annual valuations do however impact cashflows and the next valuation due in 2022 when employer contribution rates may change. Therefore, to reduce medium-term risk, the Academy Trust has committed to lump sum repayments from reserves over three years so that schools pay primary rates only, thereby reducing pressure on operating budgets.

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 2021 amounted to £13.9m (2020: £11.3m), of which £10.3m is held in restricted general funds (2020: £7.8m) and £3.6m is held in unrestricted general funds (2020: £3.6m). Total general reserves of £13.9m are equivalent to 89 days of expenditure, which exceeds the reserves policy requirement of holding reserves at a level equivalent to between 45 and 60 days of expenditure. After designating reserves of £5.7m, remaining reserves of £8.2m equate to 52 days of expenditure.

### 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) and Barclays, a new account opened in September 2020, to diversify risk and maximise returns on investment.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### 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 risk assessment and mitigation is adopted by the Trustees.
- The ESLT creates, advises on and implements policies approved by the Board that ensure compliance with legislative requirements.
- 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 enabling good risk management practice within their designated managed area.
- Key risk indicators are identified and closely monitored on a regular basis.

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 15 Academies. 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 continues to effect sustained improvement across our academies. 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 financial and regulatory compliance. 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, as well as an understanding of crucial compliance matters and their role within these, so that we can continue to build the specialism within a secure compliance framework.

#### 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.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### 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 are well established, appropriately supported and remain under active review by ESLT and Trustees in order to ensure that they are effective and fit for purpose. 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.

### 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. 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. Where prospective academies are considered, they undergo a thorough due diligence process before a decision is made by Trustees on whether to proceed with conversion.

### 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, 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 other uncertainties within the wider landscape, 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 with 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.

## 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. Risk management is embedded throughout; risk registers are maintained and monitored at all levels of the organisation. 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, or other specialists, who are 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 Risk Management) whose membership is drawn from both OHCAT and OHC Trustees and which reports to the Trustees as a whole. The annual internal audit programme is directed in response to identified risks and included on a rolling programme of work.

Pension liabilities continue to build as the current service cost of the members significantly exceeds contributions, and the shortfall is not covered by the pay and pensions grant funding provided. The performance of markets over recent years has compounded the problem with significant regular actuarial losses. The deficit on the Trust's relevant pension schemes is shown as a negative reserve in the sum of £45m. Any requirement for the Trust to fund such a deficit could well render its operations unsustainable.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### 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. There were no complaints concerning the Trust's fundraising activities during the year. In Spring 2021, a part-time Trusts and Foundations Fundraising Manager was appointed and during the year grants were secured to support the development of a new construction area at Unified Academy. In addition, a Fundraising Consultant supports the development of the strategy and policies on a one day per month retainer.

### Streamlined Energy and Carbon Reporting

The Trust's annual energy usage and associated annual greenhouse gas emissions during the period 1 September 2020 and 31 August 2021 is as follows:

	Year to August 2021	Year to August 2020
Energy consumption breakdown:		
Gas	5,211,298	4,889,840
Purchased electricity	1,880,606	2,125,810
Transport fuel	62,733	222,332
<b>Mandatory energy consumption (kWh)</b>	<b>7,154,637</b>	<b>7,237,982</b>
Voluntary energy:		
Gas oil	739,085	762,702
<b>Total voluntary energy (kWh)</b>	<b>739,085</b>	<b>762,702</b>
Total mandatory & voluntary energy consumption used to calculate emissions (kWh)	7,893,722	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 October 2020 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.

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

Emission source	Year to August 2021	Year to August 2020
<b>Mandatory emissions:</b>		
Scope 1		
Natural gas	954.5	899.1
Transport - Company owned vehicles (mini-buses)	4.5	34.8

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

Scope 2		
Purchased electricity (location-based)	399.3	495.6
Scope 3		
Transport – Business travel in employee owned vehicles	10.8	19.3
<b>Total gross mandatory emissions</b>	<b>1,369.1</b>	<b>1,448.8</b>
Intensity ratios (mandatory emissions only)		
Tonnes of CO2e per pupil	0.805	0.921
Tonnes of CO2e per square meter floor area	0.041	0.031
<b>Voluntary emissions:</b>		
Scope 1		
Gas oil	189.8	195.8
Total gross voluntary emissions	189.8	195.8
<b>Total gross voluntary &amp; mandatory emissions</b>	<b>1,558.9</b>	<b>1,644.6</b>

### Energy efficiency action during current financial year

This year has seen the implementation of the following energy efficiency measures:

- Link Primary School has received CIF funded replacement double glazed windows, doors, shiplap PVC cladding and boilers to improve the thermal performance of the building. The new boiler included associated plant, pumps, hot water storage cylinder and radiators in classrooms.
- Dysart School has received a CIF funded replacement water and heating distribution network throughout the building to prevent further heating failures occurring at the school. The project comprised of the urgent replacement of selected boilers to new high efficiency gas fired boilers and new heating pipework, pumps, valves, controls and emitters to all areas. Additionally, the new heating network now has greater control provided by a BMS.
- St Philip's School has received a CIF funded boiler replacement along with associated pumps, controls and pipework.
- Bedelsford School has received a CIF funded replacement hot- and cold-water distribution system in compliance with "Legionnaires Disease: Approved Code of Practice". This project involved the installation of new copper pipework throughout the school to provide more efficient circulation and to remove corroding pipework. New tap outlets have also been installed with thermostatic mixer valves, reducing the risk of scalding but allowing the hot water network to remain above 60°C in accordance with Legionella guidance. The new pipework has been well insulated to reduce heat losses.
- Unified Academy has had an extension constructed and undergone a full refurbishment. This included the replacement of the water and heating distribution network and double glazed windows.
- A new building has been constructed for Addington Valley Academy and has been occupied from Autumn 2021. The 3,543 m<sup>2</sup> building has an EPC 'A' rating, reflecting the high standard of insulation, heating plant, LED lighting and Building Management System (BMS). The site also boasts solar photovoltaic panels, electric car charge points and an air quality monitoring system.

# Orchard Hill College Academy Trust

## Trustees' Report (continued)

### Plans for Future Periods

OHCAT has a clear three-year strategy (2020-2023) for growth and development, which includes but is not limited to the following aims:

- 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.
- 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.

There are detailed Key Performance Indicators against each of the five strands and progress against these is regularly reviewed by Trustees.

### 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

10 December 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.

We have reviewed and taken account of the guidance in DfE's Governance handbook and competency framework for governance.

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 met virtually during 2020-21. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jay Mercer	3	3
John Prior	3	3
Barbara McIntosh	3	3
Stephen Lawes	3	3
Kevin Finnigan	3	3
Yolande Burgess	3	3
David Winkler (resigned 24.6.21)	2	3

The Audit Committee has met virtually during the period. Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Stephen Lawes	3	3
Yolande Burgess	2	3

The Remuneration Committee has formally met once during the period. This meeting was held virtually. 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 Chairs' Committee has formally met once during the period. This meeting was held virtually. 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 2020 to August 2021 was 90%.

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

# Orchard Hill College Academy Trust

## Governance Statement (continued)

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 held its annual conference in October 2021.

The portfolio governance system continues to be monitored and reviewed in response to further growth and development within the Trust and to ensure coherence and mutual understanding of OHCAT's ethos, vision and strategy.

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.

In May 2021, the Trust requested an external review of Quality, Safeguarding and Governance at Unified Academy, commissioned by the DfE and carried out by a DfE Education Expert (EE). This review encompassed the governance structure of the whole of the Trust. The EE was of the view that the Trust governance arrangements are positive and impactful. In addition, the Academy Trust was selected in July 2021 by the ESFA to complete a Financial Management and Governance Review which took place during autumn term. The findings report is being finalised.

Plans have also been put in place to commission a further external review of governance next academic year.

### 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 pupil progress and achievement, coupled with a programme of early and appropriate intervention. In addition, academies provide targeted support 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.

During the period under discussion, a total of 478 digital devices and 16 routers were distributed to OHCAT academies via the DfE's 'Get help with technology' initiative, amounting to approximately £120,000. Academies were able to utilise these devices in order to meet identified need within their pupil populations and they have been treated as a donation to the pupils. A full impact report will be produced in 2021-22.



# Orchard Hill College Academy Trust

## Governance Statement (continued)

### 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 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

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 unless there has been robust justification for a waiver which the Finance Regulations allow for along with stringent processes.

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.

The Academy Trust continues to operate with 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, with a primary objective to ensure compliance with the Public Contract Regulations 2015 and embed processes and procedures for competitive tendering. Another key objective is the negotiation of group contracts with the intention for academies to join trust-wide contract and frameworks when local arrangements terminate. Group procurement allows the aggregation of spend and then the leverage of this spend to achieve better value for money. Access to financial data allows the Procurement Team to interrogate that data to ensure suppliers are competitive, and allows internal and external benchmarking. Analysis of spend data across the Academy Trust will inform the setting of procurement 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.

A number of group tenders have been procured in the year under review, including catering and internal audit, and there are further tenders in place for most major areas of spend, including cleaning. In the next financial period, Estates will 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, a project that has been delayed due to the coronavirus.

# Orchard Hill College Academy Trust

## Governance Statement (continued)

The procurement team continue to focus on identifying group savings, establishing a procurement 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. Group Procurement will explore and exploit public sector buying organisation frameworks and Department of Education 'Deals for Schools' to channel tendering activity.

As the Academy Trust grows and the procurement function becomes more established and effective, it is anticipated that greater value for money 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. A new finance system was implemented from October 2020 and the move to a one-database, centralised product will enable a more efficient and effective way of working both operationally and for reporting 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 81% of invoices were paid within 30 days in the year under review, against a target of 75%.

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 and proactively managing contracts (and upskilling staff in this task) and introducing KPIs in relation to contract to drive both quality and value for money to ensure the best experience is provided to all pupils in the Academy Trust

A project to consolidate the LGPS funds, an exercise started during the previous financial year, has continued in the year under review.

### 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 successfully secured grants from the Capital Improvements Fund (CIF) for eighteen projects which commenced during 2020-21. These projects cover a range of works including safeguarding, roof replacement, boilers and heating, water safety, fire safety, window and doors, and refurbishment of the lodge. Total funding awarded for these projects is £4.2m, of which £2.8m has been received during the year to August 2021. In addition, CIF funding of £1.4m has been secured for six projects due to commence in 2021-22

### 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 2020 to 31 August 2021 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

# Orchard Hill College Academy Trust

## Governance Statement (continued)

significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and 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
- identification and management of risks.

The Trustees considered the need for a specific internal audit function and have appointed TIAA Ltd to perform an annual planned schedule of works that was conducted during summer 2021.

TIAA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During 2020-21, the internal audit work focussed on key financial controls and the HR and Payroll functions, and no material weaknesses were identified.

On an annual basis, internal audit will report 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

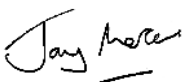
As Accounting Officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been performed by:

- 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.

The procurement matter referred to in last year's annual report was fully investigated by the Trust and no fraud or irregularity was identified, but controls have been reviewed in light of the investigation.

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



**J Mercer**  
Trustee  
10 December 2021



**J Prior**  
Accounting Officer  
10 December 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 2021.

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 2021.

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



**J Prior**

Accounting Officer

**10 December 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 2020 to 2021;
- 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**  
**10 December 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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements which include the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2019) and the Academies Accounts Direction 2020 to 2021.

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 2021 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 FRS 102 and the Academies Accounts Direction 2020 to 2021.

### Basis for opinion

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

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements 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.

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

# Orchard Hill College Academy Trust

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, which is also the directors' report for the purposes of company law [and includes the strategic report], for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.
- ◆ 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 and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made;
- ◆ 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 (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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

## Auditor's responsibilities for the audit of the financial statements (continued)

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees; we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;



# Orchard Hill College Academy Trust

## Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

A further description of our responsibilities 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.



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

17 December 2021

# 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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts 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

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP  
Chartered Accountant  
130 Wood Street  
London  
EC2V 6DL

17 December 2021

# Orchard Hill College Academy Trust

## Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total for year ended 2021 £000	Total for year ended 2020 £000
<b>Income from:</b>						
Donations and capital grants	2	-	46	2,950	2,996	609
Transfer on conversion	12, 22	-	-	9,800	9,800	253
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	60,927	-	60,927	55,461
Provision of boarding activities	24	-	-	-	-	130
Other trading activities	4	153	-	-	153	260
Investment income	5	4	-	-	4	8
<b>Total</b>		<b>157</b>	<b>60,973</b>	<b>12,750</b>	<b>73,880</b>	<b>56,721</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	7	153	61,379	1,930	63,462	55,230
Provision of boarding activities	24	-	-	-	-	305
Other items:						
Transfer of asset	21	-	-	-	-	452
Pension liability transferred		-	456	-	456	
<b>Total</b>	6	<b>153</b>	<b>61,835</b>	<b>1,930</b>	<b>63,918</b>	<b>55,987</b>
<b>Net income / (expenditure) before transfers</b>		<b>4</b>	<b>(862)</b>	<b>10,820</b>	<b>9,962</b>	<b>734</b>
<b>Transfers between funds</b>	15	-	(1,141)	1,141	-	-
<b>Net income / (expenditure)</b>		<b>4</b>	<b>(2,003)</b>	<b>11,961</b>	<b>9,962</b>	<b>734</b>
<b>Other recognised gains</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(8,431)	-	(8,431)	529
<b>Net movement in funds</b>		<b>4</b>	<b>(10,434)</b>	<b>11,961</b>	<b>1,531</b>	<b>1,263</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		3,597	(24,809)	78,730	57,518	56,255
<b>Total funds carried forward</b>	15 & 16	<b>3,601</b>	<b>(35,243)</b>	<b>90,691</b>	<b>59,049</b>	<b>57,518</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.

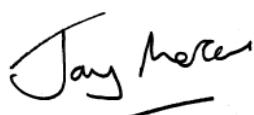
# Orchard Hill College Academy Trust

## Balance Sheet as at 31 August 2021

Company Number 08476149

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed assets</b>					
Tangible assets	12		89,949		78,721
<b>Current assets</b>					
Debtors	13	2,266		2,248	
Cash at bank and in hand		18,587		14,510	
		<u>20,853</u>		<u>16,758</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14a	<u>(6,145)</u>		<u>(5,387)</u>	
<b>Net current assets</b>			<u>14,708</u>		<u>11,371</u>
<b>Total assets less current liabilities</b>					
Creditors: Amounts falling due after more than one year	14b		<u>(30)</u>		<u>(34)</u>
<b>Net assets excluding pension liability</b>			<u>104,627</u>		<u>90,058</u>
Defined benefit pension scheme liability	20		<u>(45,578)</u>		<u>(32,540)</u>
<b>Total net assets</b>			<u>59,049</u>		<u>57,518</u>
<b>Funds of the Academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset fund	15	90,691		78,730	
- Restricted income fund	15	10,335		7,731	
- Pension reserve	15	<u>(45,578)</u>		<u>(32,540)</u>	
<b>Total restricted funds</b>			<u>55,448</u>		<u>53,921</u>
<b>Unrestricted income funds</b>	15		<u>3,601</u>		<u>3,597</u>
<b>Total funds</b>			<u>59,049</u>		<u>57,518</u>

The financial statements on pages 34 to 56 were approved by the Trustees and authorised for issue on 10 December 2021 and are signed on their behalf by



**J Mercer**  
Chair  
10 December 2021

# Orchard Hill College Academy Trust

## Statement of Cash Flows for the year ended 31 August 2021

		2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	4,488	4,948
<b>Cash flows from investing activities</b>	B	(404)	(1,544)
<b>Cash flows from financing activities</b>	C	(7)	(4)
<b>Change in cash and cash equivalents in the reporting period</b>		4,077	3,400
<b>Cash and cash equivalents at 1 September 2020</b>		14,510	11,110
<b>Cash and cash equivalents at 31 August 2021</b>	D	18,587	14,510

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

	2021 £000	2020 £000
Net income for the reporting period (as per the statement of financial activities):	9,962	734
Adjusted for:		
Depreciation (note 12)	1,930	1,549
Transfer of asset (notes 12 and 22)	(9,800)	452
Capital grants from DfE and other capital income	(2,950)	(558)
Amounts received on conversion	-	(253)
Interest receivable (note 5)	(4)	(8)
Defined benefit pension scheme cost net of contributions payable (note 20)	3,524	2,752
Defined benefit pension scheme finance cost (note 20)	627	626
Net pension liability transferred from Orchard Hill College (note 20)	456	-
Increase in debtors (note 13)	(18)	(141)
Increase /(decrease) in creditors (note 14)	761	(205)
<b>Net cash provided by operating activities</b>	4,488	4,948

### B Cash flows from investing activities

	2021 £000	2020 £000
Interest	4	8
Purchase of tangible fixed assets	(3,358)	(2,363)
Capital grants received from DfE/ESFA	2,950	461
Capital funding received from sponsors and others	-	97
Cash received on conversion	-	253
<b>Net cash used in investing activities</b>	(404)	(1,544)

### C Cash flows from financing activities

	2021 £000	2020 £000
Cash inflow from new borrowing	-	3
Repayments of borrowing	(7)	(7)
<b>Net cash used in financing activities</b>	(7)	(4)

### D Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	13,234	9,260
Notice deposits (less than 3 months)	5,353	5,250
	18,587	14,510

### E Analysis of change in net debt

	At 1 September 2020 £000	Cashflows £000	Other non-cash changes £000	At 31 August 2021 £000
Cash	14,510	4,077	-	18,587
Loans falling due within one year	(7)	7	(4)	(4)
Loans falling due after more than one year	(34)	-	4	(30)
<b>Total</b>	14,469	4,084	-	18,553

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### 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 2020 to 2021 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 2021

### (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 1.25% (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 2021

### (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 2021**

### **(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.

#### ***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.

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The value of assets transferred from the Department for Education or a Local Authority have been estimated by professional surveyors at a fair value based on depreciated replacement cost, and depreciated in accordance with the accounting policy for tangible fixed assets described above.

## 2 Donations and capital grants

	Restricted funds	
	2021 £000	2020 £000
Capital grants	2,950	558
Other donations	46	51
	<b>2,996</b>	<b>609</b>

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
<b>DfE / ESFA revenue grants</b>				
General Annual Grant (GAG)	-	17,323	17,323	15,281
Other DfE / ESFA revenue grants				
Universal Infant Free School Meals	-	94	94	64
Pupil Premium	-	739	739	695
PE and sports grant	-	155	155	157
Start Up grants	-	26	26	222
Student support	-	38	38	15
Post-opening grant	-	95	95	-
Other DfE/ESFA group grants	-	33	33	107
	-	<b>18,503</b>	<b>18,503</b>	<b>16,541</b>
<b>Other Government grants</b>				
Local authority grants	-	39,027	39,027	36,463
<b>Coronavirus additional funding (DfE/ESFA)</b>				
Catch-up premium	-	342	342	-
Other DfE/ESFA Coronavirus funding	-	33	33	12
<b>Coronavirus additional funding (non-DfE/ESFA)</b>				
Mass testing funding	-	312	312	-
<b>Other income from the Academy Trust's educational operations</b>	-	2,710	2,710	2,445
	-	<b>60,927</b>	<b>60,927</b>	<b>55,461</b>
Year to 31 August 2020	36	55,425	55,461	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals (UIFSM), Pupil Premium and PE and sports grants is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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 for coronavirus exceptional support covers delivery of

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

catch-up provisions, including Year 11 alternative provision, mass testing and free school meals. These costs are included in notes 6 and 8 below.

#### 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	65	-	65	56
Catering income	35	-	35	101
Other income	53	-	53	103
	<b>153</b>	<b>-</b>	<b>153</b>	<b>260</b>
Year to 31 August 2020	254	6	260	

#### 5 Investment income

	Unrestricted funds	
	2021 £000	2020 £000
Interest on short term deposits	4	8
	<b>4</b>	<b>8</b>

#### 6 Expenditure

	Staff Costs (note 8) £000	Non-pay Premises £000	Expenditure Other £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
- Direct costs	38,035	-	3,392	41,427	37,727
- Allocated support costs (note 7)	13,392	5,099	3,544	22,035	17,503
Boarding Activities					
- Direct costs	-	-	-	-	305
Other items:					
Transfer of asset to Orchard Hill College (notes 21)	-	-	-	-	452
Pension liability transferred from Orchard Hill College (note 20)	456	-	-	456	
	<b>51,883</b>	<b>5,099</b>	<b>6,936</b>	<b>63,918</b>	<b>55,987</b>

	Total 2021 £000	Total 2019 £000
Net income for the year includes:		
Operating lease rentals	307	209
Depreciation (note 12)	1,930	1,549
Fees payable to auditor for:		
- audit	31	29
- other services	5	8
Net interest on defined benefit pension liability (note 20)	632	626

Included within expenditure are the following transactions:

	Total 2021 £	Total 2020 £
Provision for doubtful debts	£1,097	-

**Orchard Hill College Academy Trust**  
**Notes to the Financial Statements for the year ended 31 August 2021**  
**(continued)**

**7 Charitable activities**

	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Direct costs – educational operations	41,427	36,178
Direct costs – boarding	-	305
Support costs – educational operations	22,035	19,052
Asset transferred to Orchard Hill College (notes 12 and 21)	-	452
Pension liability transferred from Orchard Hill College	456	-
	<b>63,918</b>	<b>55,987</b>

**Analysis of support costs**

Support staff costs	13,392	11,752
Depreciation	1,930	1,549
Technology costs	304	345
Premises costs	3,170	2,796
Legal costs – other	247	89
Other support costs	1,766	1,836
Governance costs	1,226	685
	<b>22,035</b>	<b>19,052</b>

**8 Staff**

**a) Staff costs**

	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Staff costs during the period were:		
Wages and salaries	33,042	29,664
Social security costs	3,288	2,884
Pension costs	10,141	8,935
Pension liability transferred from Orchard Hill College	456	-
	<b>46,927</b>	<b>41,483</b>
Supply staff costs	4,826	3,929
Severance payments	130	107
	<b>51,883</b>	<b>45,519</b>

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

Included in severance payments are non-contractual payments totalling £125,336 (2020: £74,708). Individually, the payments were: £13,411, £11,968, £10,000, £10,000, £9,733, £8,639, £8,566, £7,951, £7,000, £7,000, £7,000, £6,000, £5,000, £5,000, £4,987 and £3,081.

**c) Staff numbers**

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

	<b>2021 No.</b>	<b>2020 No.</b>
Teachers	288	265
Educational support staff	660	573
Administration and other support	227	255
Management	68	65
	<b>1,243</b>	<b>1,158</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

#### 8 Staff costs (continued)

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

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	271	248
Educational support staff	473	405
Administration and other support	182	194
Management	66	61
	<b>992</b>	<b>908</b>

##### d) Higher paid staff

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	18	15
£70,001 - £80,000	14	11
£80,001 - £90,000	6	3
£90,001 - £100,000	3	3
£100,001 - £110,000	3	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	<b>47</b>	<b>37</b>

##### 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 September 2020 to 31 August 2021 was £749,959 (2020: £592,377).

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

The Academy Trust entered into an off-payroll arrangement for school improvement consultancy services, including those of an interim Principal while the substantive post was vacant, and the amount paid for these services for the period 1 September to 31 August was £181,425 (2020: £82,175).

#### 9 Central services

The Academy Trust has provided the following central services to its academies for the year to 31 August 2021:

- 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, being 7.0% for the year under review.
- 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.

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

#### 9 Central services (continued)

- In accordance with the revised reserves policy, the 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

The actual amounts charged during the year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Carew Academy	534	520
Young People's Academy	257	263
The Skills Hub	245	256
Bedelsford School	480	492
Dysart School	385	348
St Philips School	395	396
Nightingale Community Academy	326	341
The Link Primary School	211	215
The Link Secondary School	188	197
Brantridge School	219	211
Grafham Grange School	228	219
St Dominic's School	538	404
Arbour Vale School	738	752
Unified Academy	261	232
Addington Valley Academy	146	-
<b>Total</b>	<b>5,151</b>	<b>4,846</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 £167k for core learning support services (2020: £197k).

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

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

One trustee has been paid remuneration or has received other benefits from employment with the Academy Trust. The Principals and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

J Prior (CEO and Trustee):

Remuneration: £160,000 - £165,000 (2020: £160,000 - £165,000)

Employer's pension contributions paid: £35,000 - £40,000 (2020: £35,000 - £40,000)

During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed to any of the Trustees (2020: £NIL).

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

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### 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 2021 was £30,816 (2020: £27,504). The cost of this insurance is included in the total insurance cost.

### 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 2020	1,543	23,597	53,078	3,926	1,333	100	347	83,924
Additions	314	92	15	2,499	401	-	37	3,358
Transferred on conversion (note 22)	-	-	9,800	-	-	-	-	9,800
At 31 August 2021	1,857	23,689	62,893	6,425	1,734	100	384	97,082
<b>Depreciation</b>								
At 1 September 2020	378	863	1,776	1,233	720	-	233	5,203
Charged in year	120	226	545	585	359	31	64	1,930
At 31 August 2021	498	1,089	2,321	1,818	1,079	31	297	7,133
<b>Net book value</b>								
<b>At 31 August 2021</b>	<b>1,359</b>	<b>22,600</b>	<b>60,572</b>	<b>4,607</b>	<b>655</b>	<b>69</b>	<b>87</b>	<b>89,949</b>
At 31 August 2020	1,165	22,734	51,302	2,693	613	100	114	78,721

In September 2020, Unified Academy re-located to refurbished premises in Dorking. The new site was transferred to the academy trust by way of a long leasehold interest and has been valued at £9.8m by professional surveyors at fair value with reference to depreciated replacement cost.

### 13 Debtors

	2021 £000	2020 £000
Trade debtors	385	337
VAT recoverable	375	332
Other debtors	-	15
Prepayments and accrued income	1,506	1,564
	<b>2,266</b>	<b>2,248</b>

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

	2021 £000	2020 £000
Trade creditors	469	809
Other taxation and social security	1,547	1,441
Other creditors	239	593
Accruals	2,227	1,437
Deferred income (see below)	1,663	1,107
	<b>6,145</b>	<b>5,387</b>



# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

#### Deferred income

	2021 £000	2020 £000
Deferred income at 1 September	1,107	555
Released from previous years	(913)	(346)
Resources deferred in the year	1,469	898
	<b>1,663</b>	<b>1,107</b>

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 2021-22. In addition, the Trust has received grant funding in the year for two new free schools; in total, £230k (2020: £136k) has been deferred to the next academic year.

Included in other creditors are three Salix loans of £4k (2020: £7k) which are provided interest free.

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

	2021 £000	2020 £000
Other creditors	<b>30</b>	<b>34</b>

Included in other creditors are Salix loans of £30k (2020: £34k), interest free loans provided as part of the condition improvement funding received. The loans will be repaid as follows:

	2021 £000	2020 £000
Amounts due within one year	4	7
Amounts due between one and five years	29	28
Amounts after more than five years	1	6
	<b>34</b>	<b>41</b>

#### 15 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2021 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	7,157	17,323	(13,578)	(1,348)	9,554
UIFSM	-	94	(94)	-	-
Pupil Premium	-	739	(739)	-	-
PE and Sports grant	-	155	(155)	-	-
Student support	-	38	(38)	-	-
Catch-up premium	-	342	(342)	83	83
Other DfE/ESFA coronavirus funding	-	33	(33)	-	-
Other coronavirus funding	-	312	(312)	-	-
Transferred to MAT on conversion	438	-	-	-	438
Start Up Grant	136	121	(121)	124	260
Other grants	-	41,770	(41,770)	-	-
Other income	-	46	(46)	-	-
Pension reserve	(32,540)	-	(4,607)	(8,431)	(45,578)
	<b>(24,809)</b>	<b>60,973</b>	<b>(61,835)</b>	<b>(9,572)</b>	<b>(35,243)</b>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	72,600	9,800	(666)	-	81,734
DfE/ESFA capital grants	2,516	2,883	(470)	-	4,929
Capital expenditure from GAG	2,635	-	(655)	1,141	3,121
Other capital funding	979	67	(139)	-	907
	<b>78,730</b>	<b>12,750</b>	<b>(1,930)</b>	<b>1,141</b>	<b>90,691</b>
<b>Total restricted funds</b>	<b>53,921</b>	<b>73,723</b>	<b>63,765</b>	<b>-</b>	<b>55,448</b>
<b>Unrestricted funds</b>					
Transferred to MAT on conversion	2,769	-	-	-	2,769
Unrestricted funds	828	157	(153)	-	832
<b>Total unrestricted funds</b>	<b>3,597</b>	<b>157</b>	<b>(153)</b>	<b>-</b>	<b>3,601</b>
<b>Total funds</b>	<b>57,518</b>	<b>73,880</b>	<b>(63,918)</b>	<b>(8,431)</b>	<b>59,049</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

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 2021. £1,141k was transferred to restricted funds for the purchase of Fixed Assets (2020: £1,249k).

#### Start-up funds:

The Trust received £150k (2020: £268k) 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 2020. The balance at the year end (£230k) 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 £4k (2020: £1k) 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.

#### Fixed Asset Restricted funds:

Capital income received in the year was £3.0m and comprised of:

- Condition Improvement Funding (CIF) grants (£2.7m) in respect of eighteen projects covering a range of works including safeguarding, roof replacement, boilers and heating, water safety, fire safety, window and doors, and refurbishment of the lodge. Total funding awarded for these projects is £3.7m and the balance will be received in the next academic year;
- Other capital funding from the DfE/ESFA (£149k) for investment in capital equipment; and
- Funding from a local authority for (£67k) for equipment for Addington Valley Academy, the new free school.

£1,141k 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 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>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

#### Total fund analysis by academy

Fund balances at 31 August 2021 were allocated as follows:	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Carew Academy	1,184	936
Young People's Academy	665	583
The Skills Hub	956	859
Bedelsford School	1,763	1,431
Dysart School	756	718
St Philips School	1,206	1,037
Nightingale Community Academy	446	250
The Link Primary School	1,287	1,229
The Link Secondary School	886	541
Brantridge School	274	284
Grafham Grange School	959	607
St Dominic's School	1,663	1,693
Arbour Vale School	1,110	667
Unified Academy (previously Chart Wood School)	133	(283)
Addington Valley Academy	157	-
Central Services	491	776
Total before fixed assets and pension reserve	13,936	11,328
Restricted fixed asset fund	90,691	78,730
Pension reserve	(45,578)	(32,540)
<b>Total</b>	<b>59,049</b>	<b>57,518</b>

Unified Academy has continued to experience financial challenges the year under review and these are expected to continue into 2021-22, and as a result a budget deficit has been set for the next academic year. In the year to 31<sup>st</sup> August 2021, the Trustees agreed to redirect exceptional support of £583k to Unified Academy from within the trust. The deficit school reserves planned for 2021-22 are adequately covered by the consolidated reserves of the Academy Trust. The budget for 2022-23 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:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other costs (excluding Depreciation) £000	2021 £000	2020 £000
Carew Academy	4,052	502	390	364	5,308	4,996
Young People's Academy	1,253	550	188	156	2,147	2,012
The Skills Hub	1,317	340	155	134	1,946	1,841
Bedelsford School	3,319	429	314	306	4,368	4,210
Dysart School	2,793	823	213	289	4,118	3,747
St Philips School	2,377	641	142	284	3,444	3,191
Nightingale Community Academy	2,548	771	255	285	3,859	3,405
The Link Primary School	1,570	379	82	136	2,167	1,961
The Link Secondary School	1,106	322	73	102	1,603	1,359
Brantridge School	1,126	346	167	165	1,804	1,581
Grafham Grange School	1,130	367	187	267	1,951	1,594
St Dominic's School	3,371	889	290	358	4,908	4,487
Arbour Vale School	5,839	1,054	404	852	8,149	7,460
Chart Wood School	1,676	631	349	296	2,952	2,732
Addington Valley Academy	493	161	98	93	845	-
Central Services	34	5,694	65	2,019	7,812	6,032
	<b>34,004</b>	<b>13,899</b>	<b>3,372</b>	<b>6,106</b>	<b>57,381</b>	<b>50,608</b>
Pension service cost					3,524	2,752
Pension finance cost					627	626
Asset transferred to OHC					-	452
Pension liability transferred					456	-
Depreciation					1,930	1,549
<b>Academy Trust</b>					<b>63,918</b>	<b>55,987</b>

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	89,949	89,949
Current assets	3,601	16,510	742	20,853
Current liabilities	-	(6,145)	-	(6,145)
Non-current liabilities	-	(30)	-	(30)
Pension scheme liability	-	(45,578)	-	(45,578)
	<b>3,601</b>	<b>(34,243)</b>	<b>90,691</b>	<b>59,049</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	-	-	78,721	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>

#### 17 Capital Commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	<b>1,336</b>	<b>491</b>

#### 18 Commitments under operating leases

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

	2021 £000	2020 £000
Amounts due within one year	320	285
Amounts due between one and five years	319	358
	<b>639</b>	<b>643</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:

	2021 £000	2020 £000
Amounts due within one year	698	689
Amounts due between one and five years	2,965	2,929
Amounts after more than five years	6,862	7,721
	<b>10,525</b>	<b>11,339</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 2021

### (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 as follows:

<b>School</b>	<b>Scheme name:</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
Unified Academy	Surrey Pension Fund
Addington Valley Academy	London Borough of Sutton (LBS)

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 £739,000 were payable to the schemes at 31 August 2021 (2020: £799,000) 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 2021

### (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 £3,123,000 (2020: £2,877,000).

#### 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 2021 was £4,521,000 (2020: £4,261,000), of which employer's contributions totalled £3,416,000 (2020: £3,274,000) and employees' contributions totalled £1,105,000 (2020: £987,000).

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%	£99,120 over 3 years to Mar-23	5.5% - 12.5%
The Skills Hub (LBH)	19.4%	£77,880 over 3 years to Mar-23	5.5% - 12.5%
Dysart School (RBK)	18.5%	£44,000 over 3 years to Mar-23	5.5% - 12.5%
St Philip's School (RBK)	18.6%	£173,000 over 3 years to Mar-23	5.5% - 12.5%
Bedelsford School (RBK)	18.8%	£122,000 over 3 years to Mar-23	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%
Unified Academy	19.7%	-	5.5% - 12.5%
Addington Valley Academy	17%	-	5.5% - 12.5%
Central services (LBS)	18.6%	£155,000 over 3 years to Mar-23	5.5% - 12.5%

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust 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 2021	At 31 August 2020
Rate of increase in salaries	3.95%	3.15%
Rate of increase for pensions in payment/inflation	2.95%	2.15%
Discount rate for scheme liabilities	1.75%	1.7%
Inflation assumption (CPI)	2.95%	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 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.3	21.3
Females	23.8	23.8
<i>Retiring in 20 years</i>		
Males	22.5	22.5
Females	25.3	25.4

#### Local Government Pension Scheme (continued)

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

#### Sensitivity analysis

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	(2,285)	(1,582)
Discount rate -0.1%	2,358	1,633
Mortality assumption – 1 year increase	2,866	1,876
Mortality assumption – 1 year decrease	(2,539)	(1,670)
CPI rate +0.1%	2,092	1,443
CPI rate -0.1%	(2,035)	(1,403)

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Equities	23,539	15,336
Gilts	3,553	646
Corporate bonds	1,457	4,544
Property	3,933	2,683
Cash and other liquid assets	714	1,113
Other	8,941	6,118
	<b>42,137</b>	<b>30,440</b>
Total market value of assets	(87,715)	(62,980)
Defined benefit obligation	<b>(45,578)</b>	<b>(32,540)</b>
<b>Net pension liability</b>		

The actual return on scheme assets was £7,201,000 (2020: £1,704,000)

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Current service cost (net of employer contributions)	(3,524)	(2,590)
Past service cost	-	(162)
Interest income	566	511
Interest cost	(1,086)	(1,045)
Administration expenses	(107)	(92)
<b>Total amount recognised in the SOFA</b>	<b>(4,151)</b>	<b>(3,378)</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	62,980	54,716
Current service cost	6,940	5,864
Past service cost	-	162
Interest cost	1,086	1,045
Employee contributions	1,105	989
Actuarial loss	15,066	663
Benefits paid net of transfers in	(473)	(459)
Defined benefit obligations in relation to deferred members transferred from Orchard Hill College	1,011	-
	<b>87,715</b>	<b>62,980</b>
<b>At 31 August</b>		

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	30,440	25,025
Interest income	566	511
Return on plan assets (excluding net interest on the net defined pension liability)	6,635	1,192
Employer contributions	3,416	3,274
Employee contributions	1,105	989
Benefits paid	(473)	(459)
Administration expenses	(107)	(92)
Scheme assets transferred in relation to deferred members transferred from Orchard Hill College	555	-
<b>At 31 August</b>	<b>42,137</b>	<b>30,440</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 Transactions

##### *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>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Service Provided</b>		
Core Service Contribution	160,862	196,857
<i>Additional services</i>		
Therapy and nursing services	66,834	136,186
Health and Safety	-	7,282
Digital School	24,970	41,360
Occupational Health	19,830	19,250
Post -16 consultancy	12,870	-
<b>TOTAL</b>	<b>285,366</b>	<b>400,935</b>

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



# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

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.

*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 £24,900 (2020: £27,300) during the period. There were no outstanding amounts at 31 August 2021 (2020: 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 43) during the period. The total income received from Orchard Hill College during the period is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Business support service</b>		
Premises	279,740	294,024
IT Support	210,220	357,950
HR service	139,331	156,434
MIS	103,023	102,989
Finance services	241,564	134,381
PA support	51,984	28,822
Marketing service	45,597	78,466
Digital school	-	61,595
Senior leadership, governance and school improvement	24,077	127,003
Core service contribution	1,096,741	835,070
<b>TOTAL</b>	<b>2,192,277</b>	<b>2,176,734</b>

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

- Nightingale Community Academy received £155,975 (2020: £91,000) 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;
- The Link Primary School received (22,064 (2020: £NIL) under a service level agreement to for costs incurred in relation to Garratt House, a property
- During 2019-20, Bedelsford School received £26,485 for services provided to deliver a Service Level Agreement between the Sponsor and an external party, and The Skills Hub received £20,989 for services provided by the Behaviour Support Team to College centres. Neither of this arrangements were in place during 2020-21.

Included in debtors is £250,148 due from Orchard Hill College at 31 August 2021 (2020: £465,826).

### 22 Conversion to an Academy Trust

There have been no academy conversions during the current year.

Unified Academy re-located to refurbished premises in Dorking in September 2021. The new site, valued at £9.8m by professional surveyors, was transferred from the local authority to the Academy Trust on a 125-year lease at peppercorn rent.

# Orchard Hill College Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021

### (continued)

#### 23 Events after the balance sheet date

In September 2021, Addington Valley Academy moved into the new free school site in Croydon, when ownership of the property transferred to the academy trust. A formal valuation of the site will be commissioned, and the property will be included in the balance sheet for the year to 31<sup>st</sup> August 2022.

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

	2021 £000	2021 £000	2020 £000	2020 £000
<b>Income</b>				
Fee income	-		130	
Other income	-		-	
	<u>-</u>	-	<u>-</u>	130
<b>Expenditure</b>				
<b>Direct costs</b>				
Staff costs	-		297	
Other direct costs	-		8	
	<u>-</u>		<u>8</u>	
<b>Total operating costs</b>		<u>-</u>		<u>(305)</u>
<b>Deficit on Boarding</b>		<u>-</u>		<u>(175)</u>

During the previous academic year, the strategic decision was taken by the Board to discontinue all residential offerings that had been inherited on conversion as the provisions were not financially viable. The remaining two provisions closed on 31 August 2020.

**Orchard Hill College Academy Trust**  
**Notes to the Financial Statements for the year ended 31 August 2021**  
**(continued)**

**25 Comparative information**

**Statement of Financial Activities for the year to 31<sup>st</sup> August 2020**

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total for year ended 2020 £000</b>
<b>Income from:</b>				
Donations and capital grants	-	51	558	<b>609</b>
Transfer on conversion	253	-	-	<b>253</b>
Charitable activities:				
Funding for the Academy				
Trust's educational	36	55,425	-	<b>55,461</b>
operations				
Provision of boarding	-	130	-	<b>130</b>
activities				
Other trading activities	254	6	-	<b>260</b>
Investment income	8	-	-	<b>8</b>
<b>Total</b>	<b>551</b>	<b>55,612</b>	<b>558</b>	<b>56,721</b>
<b>Expenditure on:</b>				
Charitable activities:				
Academy trust educational	289	53,392	1,549	<b>55,230</b>
operations				
Provision of boarding	-	305	-	<b>305</b>
activities				
Other items:				
Transfer of asset	-	-	452	<b>452</b>
Pension liability inherited	-	-	-	<b>-</b>
<b>Total</b>	<b>289</b>	<b>53,697</b>	<b>2,001</b>	<b>55,987</b>
<b>Net income / (expenditure) before transfers</b>	<b>262</b>	<b>1,915</b>	<b>(1,443)</b>	<b>734</b>
<b>Transfers between funds</b>	-	(1,249)	1,249	-
<b>Net income / (expenditure)</b>	<b>262</b>	<b>666</b>	<b>(194)</b>	<b>734</b>
<b>Other recognised gains</b>				
Actuarial gains/(losses) on defined benefit pension schemes	-	529	-	<b>529</b>
<b>Net movement in funds</b>	<b>262</b>	<b>1,195</b>	<b>(194)</b>	<b>1,263</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	3,335	(26,004)	78,924	56,255
<b>Total funds carried forward</b>	<b>3,597</b>	<b>(24,809)</b>	<b>78,730</b>	<b>57,518</b>