

ORCHARD HILL COLLEGE ACADEMY TRUST
Company Limited by Guarantee

Annual Report and Financial Statements

Year ended 31 August 2022

Company Registration Number: 08476149 (England and Wales)

Orchard Hill College Academy Trust

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Reference and Administrative Details

Members	S Howlett (Resigned 1.9.21) J Mercer (Chair of OHCAT Board) Orchard Hill College (Representative-Julie Avis) Simon Vines (Appointed 1.9.21) Ivan Pryce (Appointed 1.1.22)
Directors (Trustees)	J Mercer (Chair) K Finnigan (Vice Chair) (Resigned 31.7.22) Y Burgess S Lawes B McIntosh H Norris (Appointed 10.12.21) J Prior (CEO and Accounting Officer)
Company Secretary	T Goodsell
<i>Executive Senior Leadership Team</i>	
CEO	J Prior
Executive Principal/Deputy CEO	L Cornwell
Chief Finance Officer	C Jenkins
Chief Operating Officer	S Dixon
Executive Director of Development	L Barratt
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 Lane Bristol BS1 5WS
Internal Auditor	TIAA Ltd Artillery House, Fort Fareham Newgate Lane Fareham PO14 1AH

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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 2022. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operated 15 schools during 2021-22: 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 academy was renamed The PRIDE Academy and moved into a new Free School building in April 2022
- 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;
- Unified Academy, in Surrey, for boys aged 9-16 with social, emotional and mental health needs; and
- 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 moved into the new free school building in September 2021. The new building has the 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 2022 school census) are shown below.

Academy	Planned Places	Numbers on roll
Carew Academy	230	252
Young People's Academy/PRIDE	60	62
The Skills Hub	50	92
Dysart School	150	151
Bedelsford School	120	123
St Philip's School	185	178
Nightingale Community Academy	120	110
Link Primary School	50	62
Link Secondary School	56	66
St Dominic's School	150	146
Grafham Grange School	70	56
Brantridge School	54	57
Arbour Vale School	304	333
Unified Academy	120	76
Addington Valley Academy	150	76

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

Up until 28 July 2022, the Members were able to appoint up to seven Trustees (Directors) using such process as they may determine. New Articles of Association were approved on 28 July 2022 and members are now able to appoint up to 8 trustees and College members are able to appoint one further Trustee, using such process as they 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. The conference was held in October 2021 with an agenda that included strategic updates, safeguarding and health and safety training, and discussion on the portfolio governance system.

Orchard Hill College Academy Trust

Trustees' Report (continued)

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.

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 four Members. A fifth member will be appointed on 1 September 2022.

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	Helen Norris (appointed on 10.12.21)
Finance and Resources	Stephen Lawes
Health and Safety, Safeguarding and Child Protection	Barbara McIntosh
HR and Organisational Development	Yolande Burgess
Business Development and Marketing	Vacant

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

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Trustees' Report (continued)

- College Vice Principals

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.

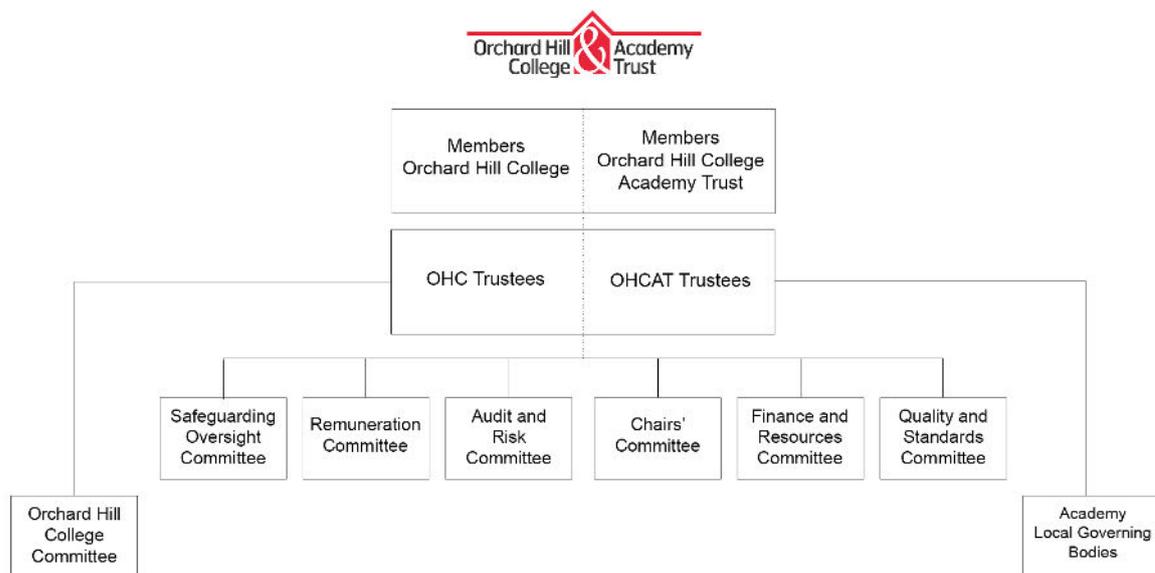
Connected Organisations, including Related Party Relationships

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 and Risk Committee, Finance and Resources Committee, Safeguarding Oversight Committee, Quality and Standards Committee (inaugural meeting held on 6 July 2022) 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 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

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Trustees' Report (continued)

education unless alternative provision is made for them ("the alternative provision academies") or 16 to 19 academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and

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

Mission and Vision

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

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

From 1 September 2021 the Trust operated with 15 academies and central support functions, while Orchard Hill College offered specialist educational programmes for pupils and students aged 16 and over in eight 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 development of existing academies and the 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 2021-22.

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:

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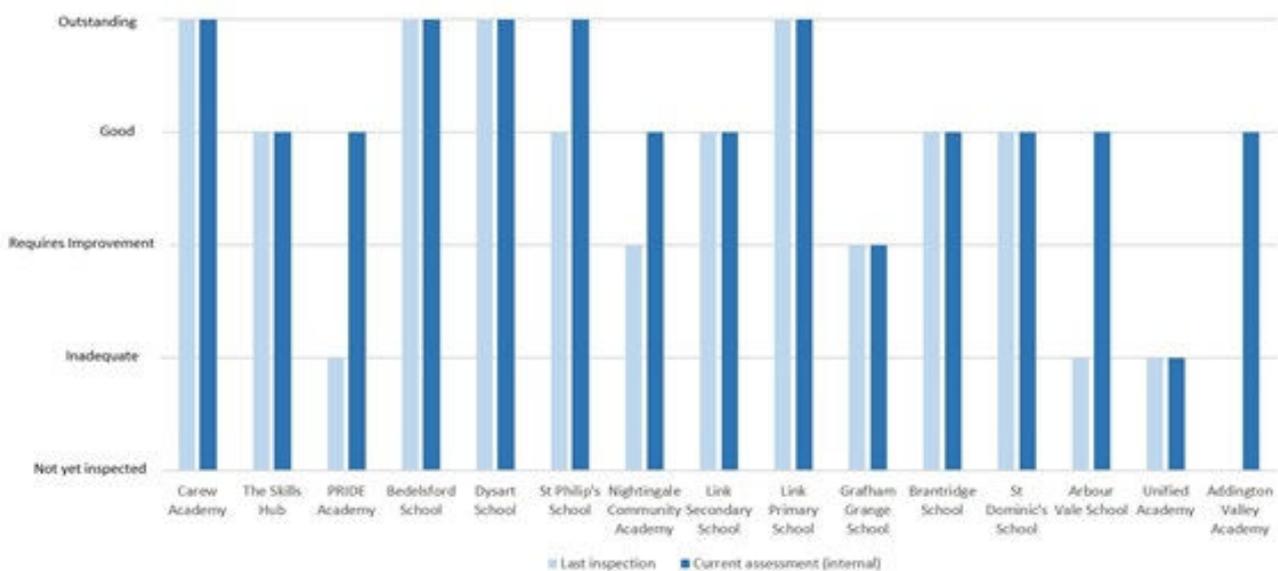
Trustees' Report (continued)

- 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, thirteen of OHCAT's fifteen academies have received at least one post-conversion Ofsted inspection. There continues to be a strong overall profile of post-conversion improvement and/or consolidation. 85% of OHCAT academies are currently rated as 'good' or 'outstanding' (against a current (Nov 2022) national figure for all schools of 87%). In 2021-22, OHCAT received six scheduled inspections (a mixture of Section 5 and Section 8), all of which were either 'good' for Overall Effectiveness Section 5), or 'taking effective action' (Section 8). All academies receiving their first OHCAT inspection during 2021-22 improved on the pre-OHCAT conversion grade profile. Two additional Section 8 inspections were unannounced, one of which (July 2022) was judged to be effective; the other (Dec 2021) resulted in the school (YPA) being placed into special measures. However, transformation was rapid and six months later, the school was judged to be 'taking effective action'. This school successfully converted to Free School status (PRIDE Academy) on 1.9.22, completing the turnaround.

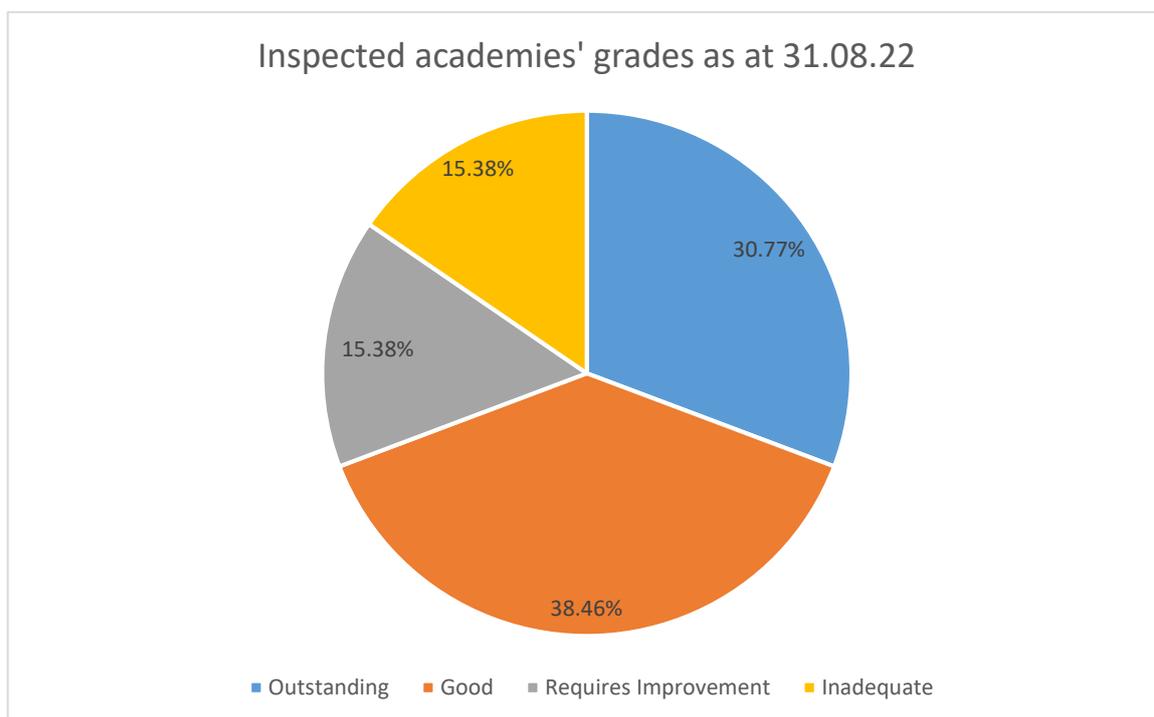
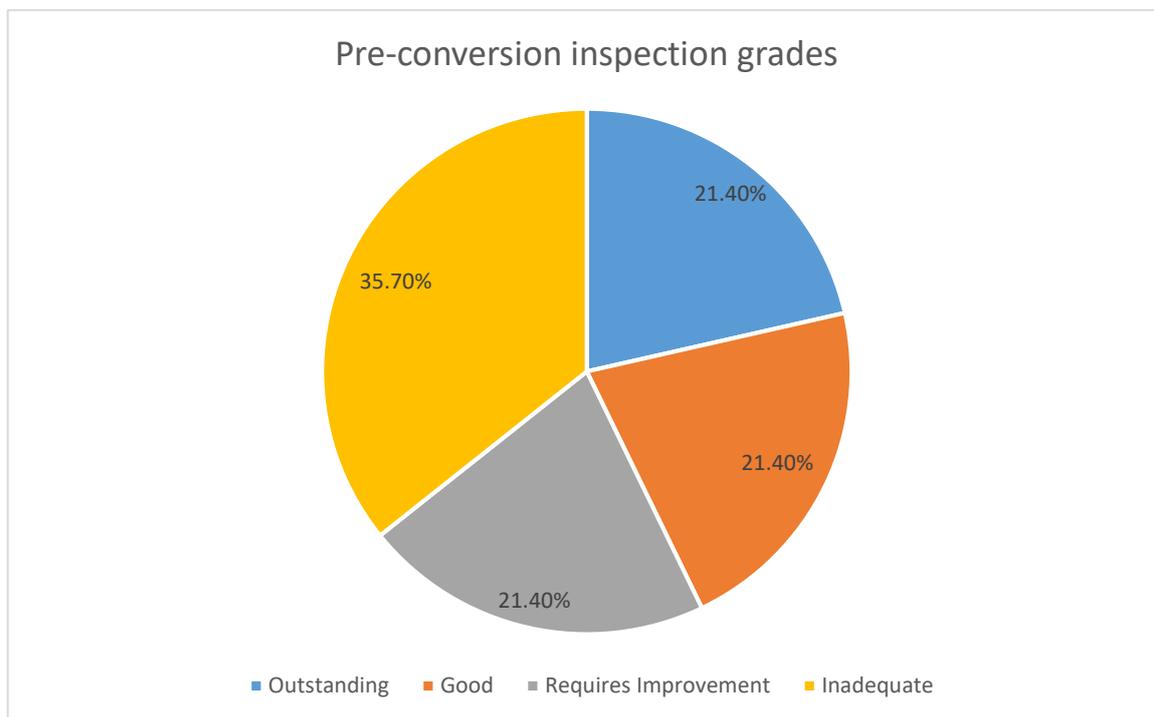
Two academies are yet to receive their first post-conversion inspection: Addington Valley Academy, which opened as a new Free School in September 2020, and Arbour Vale School, which opened in November 2018. Our robust internal assessment, that includes the judicious use of Ofsted-trained external verifiers, evidences that we expect both to achieve 'good' Overall Effectiveness judgements at their first inspection. In the table below, the 'last inspection' label for Arbour Vale School denotes pre-OHCAT conversion Ofsted judgement (pre-conversion judgement not relevant for Addington Valley, as a brand new school).



From inception to the end of 2021-22, OHCAT has shifted the balance of good or better judgements in inspected academies from 43% to 69%.

Orchard Hill College Academy Trust

Trustees' Report (continued)



Summer 2020, 2021 and 2022 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. Summer 2022 outcomes moved away from the Centre Assessed Grades (CAGs) of the previous two years. The total GCSE point score across all subjects (twenty-five subjects in 2022 versus twenty-one in 2021) and grades across the Trust decreased by 32% between summer 2021 and 2022. However, when set against the last set of pre-Covid outcomes (2019), we see a 13% increase in like-for-like comparison.

GCSE point score across the Trust within the 4-9 grade band (good/strong pass) increased by 35% between Summer 2019 (the most recent pre-Covid comparison) and Summer 2022, demonstrating not only a continued increase in participation but also a continued acceleration in the standard of pass over the three year trend.

Orchard Hill College Academy Trust

Trustees' Report (continued)

2022 also saw further A-level success for students in two of our schools, with a 55% increase in total A-level point score between Summer 2019 and Summer 2022 (op cit), which represents exceptional achievement for this cohort.

Alongside GCSEs and A-levels, we continued to diversify and expand the range and breadth of accredited L1, L2 and L3 non-GCSE/GCE outcomes across the Trust, including Functional Skills, City & Guilds, BTEch and VCerts, Arts Award, Duke of Edinburgh, Youth Award Schemes and Sports Leaders (145 vocational qualifications achieved in total in 2022). 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 (for example, Entry Levels 1-3), 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.

Total Functional Skills passes at L1 and L2 increased by 50% between Summer 2021 and 2022 (year-on-year comparison relevant here as Functional Skills remained externally validated and not subject to CAGs in 2021). L1 passes in English and Maths typically doubled between 2021 and 2022, with more moderate increases at L2.

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. NEET data for 2021 shows the NEET rate (England) for 16-24 year olds at 10.5% (11.3% in 2020) and for 18-24 year olds 12.6% (13.0% 2020). For 16-18 year olds, the 2021 figure was 6.4%. In 2020 (the most recent accessible data set) for 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 should be noted that OHCAT provides for learners up to 19 years old where their nineteenth birthday occurs during their final academic year).

It remains the case that young people are notably more likely to be NEET in the 16-24 age range (England) if they have mental health difficulties or other health-related problems (c.20% NEET and mental health versus c.8% of the 16-24 year old population with identified mental health challenges). 16-24 NEET with mental health (England) has gradually increased over the past ten years (1.3 → 2.4%) whilst concurrently, NEET rates generally (England) have fallen (16.3 → 11.3%).

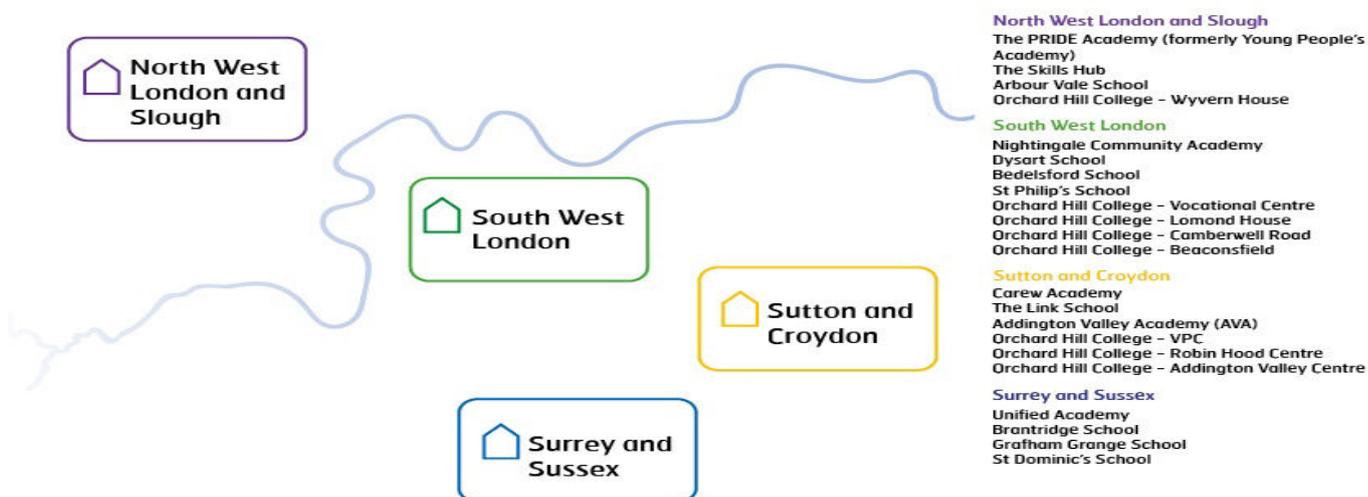
1.4 Academy Updates

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 Academy
North West London and Slough	The PRIDE Academy (formerly 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

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Trustees' Report (continued)



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

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

- Two DfE Significant change business cases were submitted to the Regional Schools Commissioner to seek approval to amend their Funding Agreements as follows:
 - The Link Schools – the merger of The Link Primary and The Link Secondary Schools to become a 4-19 establishment under The Link Primary School DfE registration number and a new satellite site to be included as a Link School provision. The satellite site would meet the needs of children and young people with complex ASD and presenting with a PDA profile. Across the three sites, the school would provide for an overall total of 148 pupils. The business case was fully approved with the merged school, The Link School, and satellite provision due to become operational from 1 September 2022.
 - Brantridge School – the approved business case was to expand Brantridge School to accommodate a co-ed secondary provision (Year 7 to Year 11) of 80 pupils on the current school site with a new building funded by West Sussex Council on the school site. Currently the school provides for 54 boys aged 5 to 11 (Year 1 to Year 6) with social emotional mental health difficulties (SEMH) including autistic spectrum disorder. The total places would be 134. The secondary places would build up over a five-year period to reach 80 places in 2026 with a small cohort of 14 Year 7 in September 2022.
- The Trust continues to work 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's contribution to the wider field of SEND and 'building the specialism' continues, 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.

Orchard Hill College Academy Trust

Trustees' Report (continued)

- 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, English Leads, Maths Leads, Exams Officers) continued to add value, providing vital cross-linking of best practice, resources and information sharing. The monthly Designated Safeguarding Lead (DSL) forum continued to be a rich source of knowledge exchange and resource sharing throughout 2021-22, enabling a consistent and evidence-led response to current safeguarding issues. From September 2021, Trust Mental Health Leads were also invited to join the forum on a half termly basis, expanding the network of support for OHCAT staff engaged in this crucial work. The forum has been instrumental in the development of a supervision model for staff working with vulnerable young people. During the period under discussion, forum members also identified suicide and self-harm as specific emerging safeguarding risks within OHCAT cohorts; a working group comprising Trustees and senior leaders was convened to develop a Trust-wide suicide prevention strategy, and Papyrus UK were invited to give a keynote at the OHCAT Safeguarding conference in June 2022. Specialist suicide intervention training has been organised for next academic year, to ensure that every OHCAT setting has at least one staff member trained to reduce the risk and increase support for those affected.
 - In addition to termly Principals' away days, which returned to in-person events following the easing of Covid restrictions, two away days for Deputies and Senior Leaders were convened. Led by the CEO and Deputy CEO, these events enabled a cross-cutting collegiate approach to key strategic and operational matters, both within the Trust and engaging with the wider educational landscape such as the Trust's response to the government's SEND and AP Green Paper consultation in July 2022.
 - Alongside Careers Leads, the English and Maths Leads' networks formally reconvened to meet online throughout the year. These networks have provided a valuable channel through which to disseminate learning such as that gleaned from OHCAT's eight Ofsted inspections throughout the year, as well as sharing specialist teaching strategies and resources.
 - OHCAT's annual Safeguarding conference was held in person on 16 June 2022, with keynote presentations on suicide prevention and staff wellbeing. Feedback from attendees including DSLs, Principals, senior OHC&AT staff and governors was extremely positive.
 - Following national rollout of the statutory reforms to early career teaching, Wandle Teaching School Hub (WTSH) delivered the Early Career Framework to all eligible OHCAT ECTs during 2021-22. The first year of delivery has been successful, with strong engagement from OHCAT academies and ECTs, and the partnership will continue into 2022-23.
 - Staff from OHCAT academies continued to access the specialist Diploma in Education & Training programme, delivered by Orchard Hill College in partnership with Canterbury Christ Church University, with the largest ever cohort graduating in summer 2022.
 - Following a successful pilot in February 2021, termly development sessions for OHCAT Central Teams staff were rolled out in 2021-22. Alongside focused updates on key compliance matters such as safeguarding and financial regulations, these sessions have also enabled employee participation in strategic conversations on areas including cross-organisational working, staff wellbeing, and equality, diversity and inclusion. Each session also includes a SEND focus in order to build staff understanding of OHCAT's specialisms and retain focus on the Trust's core mission, ethos and values. Feedback from staff was very positive and these sessions will continue in 2022-23.

In response to the significant increase in OHC&AT students, parents/carers and staff experiencing mental health difficulties as well as the many challenges with being able to access support from professional services such as Child Adolescent Mental Health Services due to waiting times and complex presentations the students present with (for example, comorbidity and learning disabilities), a proposal was developed in the period for a centralised mental health support hub to be operational from September 2022 and to meet the following objectives:

1. Create a central hub for schools/college to access resources, share best practice and resources.
2. To support student, staff and caregivers' mental health across Orchard Hill College and Academy Trust.
3. Develop a sustainable mental health strategy that builds upon the current provision and infrastructure to support the organisations and school/colleges mental health.

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.

Orchard Hill College Academy Trust

Trustees' Report (continued)

The Trust continues to progress the five new DFE approved free schools, working closely with Local authorities and other stakeholders.

- Carew Academy, Sutton: a 246-place special school for pupils aged 5-18 with a range of additional learning needs including autistic spectrum disorder, Carew Academy will absorb the current Carew Academy provision as well as extending the specialist offer for local pupils with SEND. Planning consent has been granted but there is a prolonged discharge of all pre-commencement planning conditions because of requests for additional information which will put the anticipated opening of 1 September 2024 at risk
- The PRIDE Academy, Hillingdon: a new SEN provision which replaced Young People's Academy (YPA), but moved from a 11-16 to a 11-19 school with the same designation as YPA and now has an increased capacity of 110 students. The PRIDE Academy moved into the new build in April 2022 and was formally approved to open as a Free School on 1 September 2022. The whole site is expected to complete by November 2022.
- The Skills Hub, Hillingdon: co-located with The PRIDE Academy, the new Alternative Provision will replace the current Skills Hub (TSH), and will move from a 11-16 to a 5-19 school with the same designation as TSH, and will have an increased capacity of 120 students. The anticipated opening is 1 January 2023.
- Addington Valley Academy, Croydon: this new 150 place 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, Hounslow: a new 90 place special school for pupils aged 11-19 who have social emotional and mental health difficulties (SEMH). Subject to planning consent being granted, it is very likely that a 1 September 2024 opening can be achieved.

Going Concern

The Board have considered the going concern assessment which includes the principal financial uncertainties facing the Academy Trust between now and December 2023, 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 performance was better than expected largely due to national shared challenges with recruitment and the limitations of accessing large pools of agency staff with the necessary skills to work with our most vulnerable learners. This was particularly acute as the complexity of our learners has significantly increased year on year attracting higher levels of top up funding than expected. Leaders therefore adapted their delivery models throughout the year to mitigate a drop in quality and support levels. Whilst this is possible in the short to medium term, the Trust are working with stakeholders and other professional bodies to optimise the work force and offer improved recruitment packages, better progression and enrichment of skills.

In addition, the government made several late announcements which included additional income streams to support provisions recovering from the Covid pandemic which were over and above the budgeted revenue position and pay awards for all staff over and above the recommended cost of living uplifts included in the budgeted cost structures. We were also adversely affected by the Harper v Brazel case ruling in relation to term time holiday accrual calculations for support staff.

Furthermore, as a result of the current global landscape, the sector experienced significantly high levels of cost inflation, most notably in energy costs which more than trebled. Supply chains and major contracts have been affected and resulted in delays or renegotiation of costs.

Orchard Hill College Academy Trust

Trustees' Report (continued)

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 which has led to three of our five largest commissioners consulting and implementing their own banding structures resulting in circa 30% cuts in funding. The Trust is at different stages of negotiation with the three major commissioners to limit any negative impact on learners and staffing structures by phasing the changes over a number of year and recognising in house provision especially in therapies and clinical support.
- 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. However, we expect the next few years to be challenging as the gap between the income and increased costs widens.
- Likelihood of increased employer pension costs and widening long term deficits for the Local Government Pension Scheme following the most recent tri-annual valuation which will come into effect in April 2023 and the planned tri-annual valuation for Teachers' Pension Scheme due in April 2024. As before, measures are taken to deliver balanced budgets without having to draw on accumulated reserves for day-to-day operations. In addition, we are investigating options to consolidate into a single LGPS fund.
- 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.
- Impact and effect of the war in Ukraine, post pandemic and worldwide inflation affecting procurement, contracts and supply chains. A Head of Procurement is in post 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 36. 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 2022 (excluding restricted fixed assets) was £66.2m (2021: £61.1m) 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 2022 was £63.4m (2021: £57.4m). 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 £53.1m (2021: £48.4m).

The net position for the year, therefore, was a revenue surplus of £2.8m (2021: £3.7m).

Orchard Hill College Academy Trust

Trustees' Report (continued)

General reserves

From the revenue surplus of £2.8m, £2.1 (2021: £1.1m) was invested in fixed assets and the overall net increase in general reserves was £0.7m (2021: £2.6m). Total general reserves have increased from £13.9m to £14.6m during the year to 31 August 2022.

As at 31 August 2022 the Academy Trust had unrestricted reserves of £3.8m (2021: £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, seven 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; 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: TSH due to a clawback provision, PRIDE due to lower numbers on roll and increased staff costs and NCA, Carew and Grafham largely, also, due to increased staffing costs.

Fixed asset fund

Addington Valley began the year in September 2021 at full capacity and the new building was included in the balance sheet with a formal valuation of £17.4m. PRIDE academy (formerly Young People's Academy) also relocated to its new building in April 2022 at which point no formal lease agreement had been signed, and at the year end the Trust was holding the building under a licence to occupy. Due to the fact that the risk of not receiving a signed formal lease agreement was deemed to be low and the substance of risk and reward of the property lay with the Trust it was appropriate to include the valuation of the new building, and disposal of the old building, in the balance sheet. The valuation of PRIDE is £10.6m.

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 2022 the net book value of Fixed Assets was £116.4m (2021: £89.9m), the increase largely due to the initial recognition of properties for the PRIDE academy and Addington Valley. 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 £11.4m (2021: £45.6m) as at 31 August 2022. 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;

Orchard Hill College Academy Trust

Trustees' Report (continued)

- 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.

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
Carew	Fire safety & pitch roof works	968	420
PRIDE	Fire safety doors	106	9
The Skills Hub	Roof replacement & Fire safety	363	53
Bedelsford School	Plans for first floor extension	Approx £1.6m	850
Dysart	Heating, water safety & safeguarding	964	42
St Philip's School	To replace Willow Block	Cost not yet quantified	500
Nightingale	Fire safety & safeguarding	449	84
The Link Schools	Suitability of current site under review and expansion of PDA provision	Cost not yet quantified	970
The Link secondary	Safeguarding	162	142
Grafham Grange	Replacement of 3G pitch – condition of grant to replace in 2028	Approx £300k	230
Grafham Grange	Water, heating and sewage	1102	527
Arbour Vale	Legal and profession fees associated with PFI contract	Capped at 2% of building value, or approx. £389k	389
Central Services	Head Office relocation	Cost not yet quantified	200
Kingston and Hillingdon schools, and OHCAT central services	LGPS deficit repayment	Total payments of £359k between September 2021 and March 2023	359
	Total ring-fenced reserves		£4,775

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 £11.4m 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 2022 amounted to £14.6m (2021: £13.9m), of which £10.8m is held in restricted general funds (2021: £10.3m) and £3.8m is held in unrestricted general funds (2021: £3.6m). Total general reserves of £14.6m are equivalent to approximately 80 days of expenditure, which exceeds

Orchard Hill College Academy Trust

Trustees' Report (continued)

the reserves policy requirement of holding reserves at a level equivalent to between 45 and 60 days of expenditure. After designating reserves of £4.8m, remaining reserves of £9.8m equate to 53 days of expenditure which falls within the reserves target set by the trustees.

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.

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.

Orchard Hill College Academy Trust

Trustees' Report (continued)

3. Compliance

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

4. Infrastructure and Capacity

In order to most effectively meet its strategic aims and objectives, the Trust requires an infrastructure for its business support services that enables it to operate in an efficient, coordinated and reliable way. Systems and processes 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.

Orchard Hill College Academy Trust

Trustees' Report (continued)

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 an established Audit and Risk Committee 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.

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.

Streamlined Energy and Carbon Reporting

The Trust's annual energy usage and associated annual greenhouse gas emissions during the period 1 September 2021 and 31 August 2022 is as follows:

	Year to August 2022	Year to August 2021
Energy consumption breakdown:		
Gas	6,327,599	5,211,298
Purchased electricity	2,496,309	1,880,606
Transport fuel	199,908	62,733
Mandatory energy consumption (kWhw)	9,023,817	7,154,637
Voluntary energy:		
Gas oil	610,948	739,085
Total voluntary energy (kWhw)	610,948	739,085
Total mandatory & voluntary energy consumption used to calculate emissions (kWhw)	9,634,765	7,893,722

Intensity Ratio

The chosen primary intensity ratio is total gross emissions in metric tonnes CO₂e (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.

Orchard Hill College Academy Trust

Trustees' Report (continued)

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	Year to August 2022	Year to August 2021
Mandatory emissions:		
Scope 1		
Natural gas	1,155.0	954.5
Transport - Company owned vehicles (mini-buses)	40.3	4.5
Scope 2		
Purchased electricity (location-based)	482.7	399.3
Scope 3		
Transport – Business travel in employee owned vehicles	9.6	10.8
Total gross mandatory emissions	1,687.6	1,369.1
Intensity ratios (mandatory emissions only)		
Tonnes of CO ₂ e per pupil	0.942	0.805
Tonnes of CO ₂ e per square meter floor area	0.041	0.041
Voluntary emissions:		
Scope 1		
Gas oil	158.6	189.8
Total gross voluntary emissions	158.6	189.8
Total gross voluntary & mandatory emissions	1,846.2	1,558.9

Energy efficiency action during current financial year

- Addington Valley Academy and has been occupied from Autumn 2021 but the benefit of the energy efficient design of this new school building has really only fed through in this current year. This is a building of 3,543 m² with an EPC 'A' rating, reflecting the high standards of insulation, heating plant, LED lighting and advanced Building Management System (BMS). The site also boasts solar photovoltaic panels, electric car charge points and an air quality monitoring system.
- Brantridge School has received condition infrastructure funding (CIF) funded boilers to improve the thermal performance of the building. The new boiler included BMS and associated plant and pumps.
- Grafham Grange School received CIF funding for a water distribution project to the main Grade II listed house resulting in a reduction in overall water consumption.
- Grafham Grange School received CIF funding for a heating distribution project to improve the thermal performance of the building including a new boiler, associated plant and heating distribution pipework across the main Grade II listed building.
- St Dominic's School: Phoenix House refurbishment of former residential building to provide a 6th form hub, including new boiler, and a replacement roof to an existing conservatory common room to improve thermal performance.
- St Dominic's School: The Lodge (Hive), refurbishment of a moth-balled building including replacement windows and new boiler, insulation of roof area to provide an independent living training environment for the 6th form.
- The Skills Hub – replacement of entire roof to Victoria main school building with improved insulation and thermal performance as well as flat roofs to ancillary building.

Orchard Hill College Academy Trust

Trustees' Report (continued)

- The Pride Academy – opening of new free school with state of the art BMS, heating plant, insulation, led lighting solar PV, and an EPC 'A' Rating.
- The Trust also commissioned Solar for Schools who have carried out desktop feasibility studies to estimate the level of energy that could be produced through the installation of solar PV across all our school sites and additional solar PV on sites, such as Addington Valley, where some solar PV is already present. This analysis indicates that a potential 1,441kWp of additional solar capacity could be added; which if implemented, could produce a CO2 reduction of approximately 280 tonnes per year.
- The Trust also applied for funding for three schools from Phase 3 Public Sector Low Carbon Skills Fund (LCSF). The bid was unsuccessful but was to upgrade heating including oil fired systems in three of our schools with the oldest heating infrastructure.
- The Trust is also promoting the use of electric vehicles by all staff through the introduction of a salary sacrifice leasing scheme. We are also looking to replace end of life pupil transport vehicles wherever possible with an EV or hybrid alternative.

Plans for Future Periods

OHCAT has a clear three-year strategy (2022-25) 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.

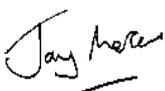
There are detailed Key Performance Indicators against each of the five strands and progress against these is regularly reviewed by Trustees.

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

9 December 2022

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.

Attendance at full Board 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 (Resigned 31.7.22)	1	3
Yolande Burgess	2	3
Helen Norris	3	3

The Audit and Risk Committee has met 3 times 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 Finance and Resources Committee has met 3 times during the period. Attendance in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Stephen Lawes	3	3

The Safeguarding Oversight Committee has met 3 times during the period. Attendance in the year was as follows:

Committee Member	Meetings Attended	Out of a possible
Jay Mercer	1	3
Barbara McIntosh	2	3

The Quality and Standards Committee has met once during the period. Attendance in the year was as follows:

Committee Member	Meetings Attended	Out of a possible
Jay Mercer	1	1
Helen Norris	0	1

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

Orchard Hill College Academy Trust

Governance Statement

Committee Member	Meetings attended	Out of a possible
Jay Mercer	1	1
Stephen Lawes	1	1

The Chairs' Committee has formally met twice during the period. Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Jay Mercer (OHCAT Trustee)	2	2

The Trustees' overall attendance at committee meetings from September 2021 to August 2022 was 85%.

In addition to the formal termly Board meetings, the Chief Financial Officer also meets with the Finance Portfolio holder during the first half of each term to maintain financial oversight; the Finance Portfolio holder will feedback on these meetings to other Board members between formal meetings. In addition to Trustees and Committee meetings, Trustees also have regular input into Trust activities outside of the meeting schedule, including regular one to one meetings with the CEO of the Trust, visits to OHCAT provision, feedback on policy development etc.

The Board of Trustees held its annual conference on 8 October 2021. The event was well-attended, and feedback was positive.

The current Scheme of Delegation and portfolio governance guidance is currently under review, and will be sent out for consultation to all stakeholders in the autumn term 2022. The review encompasses further growth and development within the Trust and aims 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 June 2022, an external review of Pride Academy was commissioned by the DfE and carried out by a DfE Education Expert (EE) feedback was largely positive.

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

Conflicts of interest

OHCAT operates a set of policies and procedures to maintain oversight of all possible conflicts of interest and enable further scrutiny in the event that such conflicts arise. Both the Staff Code of Conduct and the Conflict of Interest Policy make clear that all staff must complete an annual Declaration of Interest return in order to declare any personal or professional relationships or interests that may have bearing on their work (or a nil return if no such relationships or interests exist), and that all staff are required to declare any familial or close personal relationships with other members of OHCAT staff, either upon appointment or as and when the situation demands. The Governor Code of Conduct makes clear that all governors and Trustees are required to declare any relevant interests, both via the annual Declaration of Interest return and whenever a potential conflict of interest arises, such as during an LGB meeting.

All such declarations are recorded in the OHCAT Register of Interests. Where a personal or professional interest is declared, these are scrutinised by the relevant team (e.g. Finance, HR, Safeguarding) in order to assess any potential risk to pupils, staff and the organisation as a whole, and determine any actions necessary to mitigate that risk.

We also ensure that Declarations or Conflicts of Interest are a standing agenda item raised at the outset of all Committees and Board Meetings.

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.

Orchard Hill College Academy Trust

Governance Statement

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 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 to achieve economies of scale and shared expertise whilst retaining local specialisms and delivery.

Financial Governance

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

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

Effective Purchasing and Consolidation

The Academy Trust has established a centralised Procurement Team to ensure compliance with the Public Contract Regulations 2015 and embed processes and procedures for competitive tendering and take responsibility for contract management oversight of key Trust-wide service contracts such as cleaning and catering. When sourcing goods and services the Team routinely analyse public sector buying organisation frameworks first to determine if the need can be met quickly, efficiently and in a compliant way. 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.

Orchard Hill College Academy Trust

Governance Statement

The Team offer commercial advice and guidance as well as contract management training to internal stakeholders. Where there are value for money advantages the Team will explore Trust-wide arrangements thus exploiting our ability to aggregate spend and then leverage this to secure cost savings and/or synergies. Access to financial data allows the Team to interrogate that data to ensure suppliers are competitive, and allows benchmarking. Analysis of spend data across the Academy Trust continues to inform the setting of procurement strategies to ensure greater efficiency in the future.

The Team has put in place a Preferred Supplier List (PSL); this comprises a number of suppliers and contractor who are either listed as DfE 'Deals for Schools', recommended framework suppliers or who have secured a place as a result of the Team running an open and competitive tendering process or benchmarking. The PSL accounts for most areas of common spend across the Trust, i.e. from office stationery and educational supplies, to canine therapy, and estates professional services.

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. Costed 'Scopes of Support' have been developed and communicated to budget holders to articulate the support the Academy Trust provides from the central teams which is highly specialised and deep in terms of breadth and scope. An external review is due to be conducted in the next financial period to benchmark quality and value for money.

In the next financial period the Team plan to procure an outsourced ICT managed service, external audit services, a new HR & Payroll system and a heavy programme of building improvement works, following the Estates Team's commissioning of condition surveys across the Trust.

The Team continue to track, realise and report upon cashable savings and has a stretching target to achieve. The Team also review waiver requests; recording these and making reports routinely available to the Board for scrutiny.

The Board has endorsed an updated Procurement Strategy and a Procurement Policy is currently being drafted for review.

In respect of payment practices reporting, supplier payment performance reported 89% 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 and remains a key priority during the next financial year.

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 will continue to work in partnership with commissioning bodies to secure funds for growth. We are no longer eligible to bid for Capital Improvements Fund (CIF) and instead are now in receipt of formulaic Capital Schools Condition Allocation (SCA).

Orchard Hill College Academy Trust

Governance Statement

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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 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;
- Comprehensive long term financial planning documents which span a period of five years and include an action plan and owners.
- 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 2022.

TIAA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During 2021-22, the internal audit work focused on key financial controls, risk management processes, safeguarding governance arrangements, procurement arrangements including contract management and tender processing, GDPR Compliance and IT Disaster Recovery, Security & Data Breaches – 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;

Orchard Hill College Academy Trust

Governance Statement

- 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 and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



J Mercer
Trustee



J Prior
Accounting Officer

9 December 2022

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 Academy Trust 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 Academy Trust 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

9 December 2022

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 2021 to 2022;
- 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

9 December 2022

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 2022 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 (FRS 102)) and the Academies Accounts Direction 2021 to 2022.

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 2022 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 2021 to 2022.

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.

Orchard Hill College Academy Trust

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, 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

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 2021 to 2022, the Academy Trust Handbook 2021, 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.

Orchard Hill College Academy Trust

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

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;
- ◆ 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. 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. 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

14 December 2022

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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook 2021, extant from 1 September 2021, 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 2021 to 31 August 2022 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;

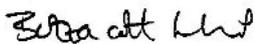
Orchard Hill College Academy Trust

Approach (continued)

- ◆ 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 2021 to 31 August 2022 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

14 December 2022

Orchard Hill College Academy Trust

Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total for year ended 2022 £000	Total for year ended 2021 £000
Income from:						
Donations and capital grants	2	—	86	29,788	29,874	2,996
Transfer on conversion		—	—	—	—	9,800
Charitable activities:						
Funding for the Academy Trust's educational operations	3	—	66,053	—	66,053	60,927
Other trading activities	4	174	—	—	174	153
Investment income	5	25	—	—	25	4
Total		199	66,139	29,788	96,126	73,880
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	—	70,097	6,118	76,215	63,462
Other items:						
Pension liability transferred	7	—	—	—	—	456
Total	6	—	70,097	6,118	76,215	63,918
Net income / (expenditure) before transfers		199	(3,958)	23,670	19,911	9,962
Transfers between funds	15	—	(2,054)	2,054	—	—
Net income / (expenditure)		199	(6,012)	25,724	19,911	9,962
Other recognised gains						
Actuarial gains/(losses) on defined benefit pension schemes	20	—	40,629	—	40,629	(8,431)
Net movement in funds		199	34,617	25,724	60,540	1,531
Reconciliation of funds						
Total funds brought forward		3,601	(35,243)	90,691	59,049	57,518
Total funds carried forward	15 & 16	3,800	(626)	116,415	119,589	59,049

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 2022

Company Number 08476149

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	12		116,415		89,949
Current assets					
Debtors	13	3,843		2,266	
Cash at bank and in hand		22,520		18,587	
		<u>26,363</u>		<u>20,853</u>	
Liabilities					
Creditors: Amounts falling due within one year	14a	<u>(11,689)</u>		<u>(6,145)</u>	
Net current assets			<u>14,674</u>		<u>14,708</u>
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	14b		<u>(65)</u>		<u>(30)</u>
Net assets excluding pension liability			<u>131,024</u>		<u>104,627</u>
Defined benefit pension scheme liability	20		<u>(11,435)</u>		<u>(45,578)</u>
Total net assets			<u>119,589</u>		<u>59,049</u>
Funds of the Academy Trust:					
Restricted funds					
- Fixed asset fund	15	116,415		90,691	
- Restricted income fund	15	10,809		10,335	
- Pension reserve	15	<u>(11,435)</u>		<u>(45,578)</u>	
Total restricted funds			<u>115,789</u>		<u>55,448</u>
Unrestricted income funds	15		<u>3,800</u>		<u>3,601</u>
Total funds			<u>119,589</u>		<u>59,049</u>

The financial statements on pages 36 to 61 were approved by the Trustees and authorised for issue on and are signed on their behalf by



J Mercer
Chair

9 December 2022

Orchard Hill College Academy Trust

Statement of Cash Flows for the year ended 31 August 2022

		2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	A	6,544	4,488
Cash flows from investing activities	B	(2,607)	(404)
Cash flows from financing activities	C	(4)	(7)
Change in cash and cash equivalents in the reporting period		<u>3,933</u>	<u>4,077</u>
Cash and cash equivalents at 1 September 2021		18,587	14,510
Cash and cash equivalents at 31 August 2022	D	<u>22,520</u>	<u>18,587</u>
A Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2022 £000	2021 £000
Net income for the reporting period (as per the statement of financial activities):		19,911	9,962
Adjusted for:			
Depreciation (note 12)		2,525	1,930
Transfer of asset		—	(9,800)
Capital grants from DfE and other capital income		(1,929)	(2,950)
Assets donated by the DfE		(27,945)	—
Loss on disposal of fixed assets		3,605	—
Interest receivable (note 5)		(25)	(4)
Defined benefit pension scheme cost net of contributions payable (note 20)		5,377	3,524
Defined benefit pension scheme finance cost (note 20)		878	627
Net pension liability transferred from Orchard Hill College (note 20)		—	456
Increase in debtors (note 13)		(1,577)	(18)
Increase /(decrease) in creditors (note 14)		5,724	761
Net cash provided by operating activities		<u>6,544</u>	<u>4,488</u>
B Cash flows from investing activities			
		2022 £000	2021 £000
Interest		25	4
Purchase of tangible fixed assets		(4,561)	(3,358)
Capital grants received from DfE/ESFA		1,929	2,950
Net cash used in investing activities		<u>(2,607)</u>	<u>(404)</u>
C Cash flows from financing activities			
		2022 £000	2021 £000
Cash inflow from new borrowing		—	—
Repayments of borrowing		(4)	(7)
Net cash used in financing activities		<u>(34)</u>	<u>(7)</u>
D Analysis of cash and cash equivalents			
		2022 £000	2021 £000
Cash in hand and at bank		14,572	13,234
Notice deposits (less than 3 months)		7,948	5,353
		<u>22,520</u>	<u>18,587</u>

Orchard Hill College Academy Trust

E Analysis of change in net debt

	At 1 September 2021 £000	Cashflows £000	Other non-cash changes £000	At 31 August 2022 £000
Cash	18,587	3,933	—	22,520
Loans falling due within one year	(4)	4	(12)	(12)
Loans falling due after more than one year	(30)	(4)	(19)	(53)
Total	18,553	3,933	(31)	22,455

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

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 2021 to 2022 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 inflationary pressures and increased staff costs 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 these pressures to the Academy Trust's budget, 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 pressures.

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 2022

(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
- Specialist Equipment (inc CCTV) 10% 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

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

Statement of Financial Activities.

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.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 2022

(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 2022. 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	
	2022 £000	2021 £000
Capital grants	1,843	2,950
Other donations	86	46
Donated fixed assets (see notes 12 and 22)	27,945	—
	29,874	2,996

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	—	18,173	18,173	17,323
Other DfE / ESFA revenue grants				
Universal Infant Free School Meals	—	74	74	94
Pupil Premium	—	852	852	739
PE and sports grant	—	174	174	155
Start Up grants	—	199	199	26
Student support	—	8	8	38
Post-opening grant	—	160	160	95
Other DfE/ESFA group grants	—	62	62	33
	—	19,702	19,702	18,503
Other Government grants				
Local authority grants	—	43,066	43,066	39,027
Coronavirus additional funding (DfE/ESFA)				
Catch-up and recovery premium	—	591	591	342
Other DfE/ESFA Coronavirus funding	—	—	—	33
Coronavirus additional funding (non-DfE/ESFA)				
Mass testing funding	—	18	18	312
Exceptional government funding				
Other Coronavirus funding	—	2	2	—
Other income from the Academy Trust's educational operations	—	2,674	2,674	2,710
Total	—	66,053	66,053	60,927
Year to 31 August 2021	—	60,927	60,927	

Orchard Hill College Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022
(continued)

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	69	—	69	65
Catering income	51	—	51	35
Other income	54	—	54	53
	174	—	174	153
Year to 31 August 2021	153	—	153	

5 Investment income

	Unrestricted funds	
	2022 £000	2021 £000
Interest on short term deposits	25	4
	25	4

6 Expenditure

	Staff Costs (note 8) £000	Non-pay Premises £000	Expenditure Other £000	Total 2022 £000	Total 2021 £000
Academy's educational operations:					
- Direct costs	42,231	—	4,146	46,377	41,427
- Allocated support costs (note 7)	16,259	10,169	3,410	29,838	22,035
Other items:					
- Pension liability transferred from Orchard Hill College (note 20)	—	—	—	—	456
	58,490	10,169	7,556	76,215	63,918

	Total 2022 £000	Total 2021 £000
Net income for the year includes:		
Operating lease rentals	325	307
Loss on disposal of fixed assets	3,605	—
Depreciation (note 12)	2,525	1,930
Fees payable to auditor for:		
- audit	32	31
- other services	5	5
Provision for doubtful debts	—	1,097

Orchard Hill College Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022
(continued)

7 Charitable activities

	Total 2022 £000	Total 2021 £000
Direct costs – educational operations	46,377	41,427
Support costs – educational operations	29,838	22,035
Pension liability transferred from Orchard Hill College	—	456
	76,215	63,918

Analysis of support costs

Support staff costs	16,259	13,392
Depreciation	2,525	1,930
Loss on disposal of fixed assets	3,605	—
Technology costs	310	304
Premises costs	4,039	3,170
Legal costs – other	167	247
Other support costs	1,737	1,766
Governance costs	1,196	1,226
	29,838	22,035

8 Staff

a) Staff costs

	Total 2022 £000	Total 2021 £000
Staff costs during the period were:		
Wages and salaries	35,998	33,042
Social security costs	3,598	3,288
Pension costs	12,528	10,141
Pension liability transferred from Orchard Hill College	—	456
	52,124	46,927
Supply staff costs	6,301	4,826
Severance payments	65	130
	58,490	51,883

b) Severance payments

The academy trust paid 10 severance payments in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	10
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000+	-

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

8 Staff costs (continued)

c) Non statutory/non-contractual staff severance payments

Included in severance payments are non-contractual payments totalling £68,073 (2021: £125,336). Individually, the payments were: £5,000 £6,064 £24,190 £5,211 £2,934 £3,200 £5,000 £6,228 £10,246 plus an immaterial £3k over accrual from the prior year.

d) Staff numbers

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

	2022	2021
	No.	No.
Teachers	300	288
Educational support staff	672	660
Administration and other support	217	227
Management	72	68
	1,261	1,243

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

	2022	2021
	No.	No.
Teachers	284	271
Educational support staff	493	473
Administration and other support	178	182
Management	70	66
	1,025	992

e) Higher paid staff

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

	2022	2021
	No.	No.
£60,001 - £70,000	28	18
£70,001 - £80,000	18	14
£80,001 - £90,000	6	6
£90,001 - £100,000	3	3
£100,001 - £110,000	3	3
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£160,001 - £170,000	1	1
	61	47

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 2021 to 31 August 2022 was £787,566 (2021: £749,959).

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

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

9 Central services

The Academy Trust has provided the following central services to its academies for the year to 31 August 2022:

- Core services including: Executive Senior Leadership Team, finance, 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: clerking, IT support services and premises.
- 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:

	2022	2021
	£000	£000
Carew Academy	573	534
The PRIDE Academy	278	257
The Skills Hub	269	245
Bedelsford School	500	480
Dysart School	417	385
St Philips School	416	395
Nightingale Community Academy	350	326
The Link Primary School	229	211
The Link Secondary School	217	188
Brantridge School	224	219
Grafham Grange School	246	228
St Dominic's School	565	538
Arbour Vale School	755	738
Unified Academy	230	261
Addington Valley Academy	297	146
Total	5,566	5,151

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

The Sponsor has continued to deliver support, including consultancy and shared premises rent, to the Academy Trust during the year which has been calculated at cost.

The amount paid by the Academy Trust to the Sponsor during the year £311k for support services (2021: £167k).

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: £165,000 - £170,000 (2021: £160,000 - £165,000)

Employer's pension contributions paid: £35,000 - £40,000 (2021: £35,000 - £40,000)

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

10 Related Party Transactions – Trustees’ remuneration and expenses (continued)

During the year ended 31 August 2022, £90 travel and subsistence expense was reimbursed to one of the Trustees (2021: £nil).

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

11 Trustees’ and officers’ insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2022 was £38,640 (2021: £30,816). The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Leasehold Improvements £000	Furniture and Equipment £000	Computer Hardware £000	Computer Software £000	Motor Vehicles £000	Total £000
Cost								
At 1 September 2021	23,689	62,893	1,857	6,425	1,734	100	384	97,082
Donated assets	-	27,945	-	-	-	-	-	27,945
Additions	2	-	2,034	1,910	615	-	-	4,561
Disposals	(3,340)	-	-	(219)	(1)	-	-	(3,560)
Transfers	-	-	2,478	(2,478)	-	-	-	-
At 31 August 2022	20,351	90,838	6,369	5,638	2,348	100	384	126,028
Depreciation								
At 1 September 2021	1,089	2,321	498	1,818	1,079	31	297	7,133
Charged in year	181	850	342	627	448	33	44	2,525
Disposals	-	-	-	(44)	(1)	-	-	(45)
At 31 August 2022	1,270	3,171	840	2,401	1,526	64	341	9,613
Net book value								
At 31 August 2022	19,081	87,667	5,529	3,237	822	36	43	116,415
At 31 August 2021	22,600	60,572	1,359	4,607	655	69	87	89,949

In September 2021, Addington Valley Academy opened and the new site was transferred to the academy trust by way of a long leasehold interest. This has been valued at £17.4m by professional surveyors at fair value with reference to depreciated replacement cost. YPA relocated to a new site in April 2022 and renamed the PRIDE academy which has been valued at £10.6m. The disposal costs of the YPA building were valued at £3.3m

13 Debtors

	2022 £000	2021 £000
Trade debtors	512	385
VAT recoverable	846	375
Other debtors	6	-
Prepayments and accrued income	2,479	1,506
	3,843	2,266

Orchard Hill College Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022
(continued)

14a Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	1,460	469
Other taxation and social security	1,706	1,547
Other creditors	876	239
Accruals	4,553	2,227
Deferred income (see below)	3,094	1,663
	11,689	6,145

Deferred income

	2022	2021
	£000	£000
Deferred income at 1 September	1,663	1,107
Released from previous years	(1,663)	(913)
Resources deferred in the year	3,094	1,469
	3,094	1,663

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 2022-23. In addition, the Trust has received grant funding in the year for two new free schools; in total, £228k (2021: £230k) has been deferred to the next academic year.

Included in other creditors are three Salix loans of £9k (2021: £4k) which are provided interest free.

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

	2022	2021
	£000	£000
Other creditors	65	30

Included in other creditors are Salix loans of £65k (2021: £30k), interest free loans provided as part of the condition improvement funding received. The loans will be repaid as follows:

	2022	2021
	£000	£000
Amounts due within one year	12	4
Amounts due between one and five years	41	29
Amounts after more than five years	12	1
	65	34

In year there were three new loans for projects at St Philip's, Brantridge and The Link Primary. The full amount of the loans are £18,749, £12,167 and £9,374 respectively.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

15 Funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	9,554	18,173	(15,645)	(2,054)	10,028
UIFSM	-	74	(74)	-	-
Pupil Premium	-	852	(852)	-	-
PE and Sports grant	-	174	(174)	-	-
Student support	-	8	(8)	-	-
Catch-up and recovery premium	83	591	(591)	-	83
Other DfE/ESFA coronavirus funding	-	18	(18)	-	-
Other coronavirus funding	-	2	(2)	-	-
Transferred to MAT on conversion	438	-	-	-	438
Start Up Grant	260	199	(199)	-	260
Other grants	-	45,962	(45,962)	-	-
Other income	-	86	(86)	-	-
Pension reserve	(45,578)	-	(6,486)	40,629	(11,435)
	(35,243)	66,139	(70,097)	38,575	(626)
Restricted fixed asset funds					
Transferred on conversion/donated	82,400	27,945	(3,593)	-	106,752
DfE/ESFA capital grants	4,677	1,843	(2,525)	-	3,995
Capital expenditure from GAG	2,635	-	-	2,054	4,689
Other capital funding	979	-	-	-	979
	90,691	29,788	(6,118)	2,054	116,415
Total restricted funds	55,448	95,927	(76,215)	40,629	115,789
Unrestricted funds					
Transferred to MAT on conversion	2,769	-	-	-	2,769
Unrestricted funds	832	199	-	-	1,031
Total unrestricted funds	3,601	199	-	-	3,800
Total funds	59,049	96,126	(76,215)	40,629	119,589

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 2022. £2,054k was transferred to restricted funds for the purchase of Fixed Assets (2021: £1,141k).

Start-up funds:

The Trust received £160k (2021: £150k) in relation to the new free schools and academy conversion for use in set-up and Shared Services. Start-up grants of £228k were brought forward from 2020-21. The balance at the year end 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 £199k (2021: £4k) 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 £29.8m and comprised of:

- Condition Improvement Funding (CIF) grants (£1.8m) in respect of eighteen projects covering a range of works including safeguarding, roof replacement, boilers and heating, water safety, fire safety, window and doors.
- Capital funding of £17.4m for Addington Valley; and
- Capital funding of £10.6m for PRIDE

£2,054k was transferred from restricted funds to support capital purchases.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

15 Funds (continued)

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 2020 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
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)
	(24,809)	60,973	(61,835)	(9,572)	(35,243)
Restricted fixed asset funds					
Transferred on conversion	72,600	9,800	-	-	82,400
DfE/ESFA capital grants	2,516	2,883	(1,930)	-	4,677
Capital expenditure from GAG	2,635	-	-	1,141	2,635
Other capital funding	979	67	-	-	979
	78,730	12,750	(1,930)	1,141	90,691
Total restricted funds	53,921	73,723	63,765	-	55,448
Unrestricted funds					
Transferred to MAT on conversion	2,769	-	-	-	2,769
Unrestricted funds	828	157	(153)	-	832
Total unrestricted funds	3,597	157	(153)	-	3,601
Total funds	57,518	73,880	(63,918)	(8,431)	59,049

Total fund analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Carew Academy	1,063	1,184
The PRIDE Academy	409	665
The Skills Hub	859	956
Bedelsford School	2,120	1,763
Dysart School	721	756
St Philips School	1,536	1,206
Nightingale Community Academy	458	446
The Link Primary School	1,131	1,287
The Link Secondary School	1,134	886
Brantridge School	354	274
Grafham Grange School	917	959
St Dominic's School	1,791	1,663
Arbour Vale School	1,382	1,110
Unified Academy (previously Chart Wood School)	47	133
Addington Valley Academy	302	157
Central Services	385	491
Total before fixed assets and pension reserve	14,609	13,936
Restricted fixed asset fund	116,415	90,691
Pension reserve	(11,435)	(45,578)
Total	119,589	59,049

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

15 Funds (continued)

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	2022 £000	2021 £000
Carew Academy	4,411	682	428	359	5,880	5,308
The PRIDE Academy	1,348	562	240	258	2,408	2,147
The Skills Hub	1,240	460	207	144	2,051	1,946
Bedelsford School	3,419	500	254	321	4,494	4,368
Dysart School	3,000	1,130	252	394	4,776	4,118
St Philips School	2,567	770	206	272	3,815	3,444
Nightingale Community Academy	2,538	955	300	282	4,075	3,859
The Link Primary School	1,703	434	102	105	2,344	2,167
The Link Secondary School	1,417	282	146	108	1,953	1,603
Brantridge School	1,253	393	196	325	2,167	1,804
Grafham Grange School	1,338	449	148	440	2,375	1,951
St Dominic's School	3,396	1,063	445	368	5,272	4,908
Arbour Vale School	6,446	1,106	465	836	8,853	8,149
Unified Academy	1,317	380	305	372	2,374	2,952
Addington Valley Academy	1,395	635	288	206	2,524	845
Central Services	-	5,554	-	2,697	8,251	7,812
	36,788	15,355	3,982	7,487	63,612	57,381
Pension service cost					5,719	3,524
Pension finance cost					766	627
Asset transferred to OHC					-	-
Pension liability transferred					-	456
Depreciation and loss on disposal					6,118	1,930
Academy Trust					76,215	63,918

16 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	116,415	116,415
Current assets	3,800	22,563	-	26,363
Current liabilities	-	(11,754)	-	(11,754)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(11,435)	-	(11,435)
	3,800	(626)	116,415	119,589

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

16 Analysis of net assets between funds (continued)

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	-	-	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)
	3,601	(35,243)	90,691	59,049

17 Capital Commitments

	2022 £000	2021 £000
Contracted for, but not provided in the financial statements	1,276	1,336

18 Commitments under operating leases

At 31 August 2022 the total of the future minimum lease payments under non-cancellable operating leases was:

	2022 £000	2021 £000
Amounts due within one year	326	320
Amounts due between one and five years	328	319
	654	639

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 2022 was:

	2022 £000	2021 £000
Amounts due within one year	715	698
Amounts due between one and five years	3,038	2,965
Amounts after more than five years	6,075	6,862
	9,828	10,525

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 2022

(continued)

20 Pension and similar obligations

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

The various LGPS schemes are managed as follows:

School	Managed by:
Carew Academy	London Borough of Sutton (LBS)
The PRIDE 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 £790,000 were payable to the schemes at 31 August 2022 (2021: £739,000) 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 2022

(continued)

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pensions Scheme (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 £3,589,000 (2021: £3,123,000).

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 2022 was £4,745,000 (2021: £4,521,000), of which employer's contributions totalled £3,589,000 (2021: £3,416,000) and employees' contributions totalled £1,156,000 (2021: £1,105,000).

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%
The PRIDE 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 2022	At 31 August 2021
Rate of increase in salaries	3.85%	3.95%
Rate of increase for pensions in payment/inflation	2.85%	2.95%
Discount rate for scheme liabilities	4.25%	1.75%
Inflation assumption (CPI)	2.85%	2.95%
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 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.4	21.3
Females	23.9	23.8
<i>Retiring in 20 years</i>		

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

Males	22.6	22.5
Females	25.4	25.3

Sensitivity analysis

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

	2022	2021
	£000	£000
Discount rate +0.1%	(1,263)	(2,285)
Discount rate -0.1%	1,299	2,358
Mortality assumption – 1 year increase	1,261	2,866
Mortality assumption – 1 year decrease	(1,139)	(2,539)
CPI rate +0.1%	1,187	2,092
CPI rate -0.1%	(1,157)	(2,035)

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

	2022	2021
	£000	£000
Equities	24,024	23,539
Gilts	1,524	3,553
Corporate bonds	5,468	1,457
Property	4,455	3,933
Cash and other liquid assets	740	714
Other	7,275	8,941
Total market value of assets	43,486	42,137
Defined benefit obligation	(54,921)	(87,715)
Net pension liability	(11,435)	(45,578)

The actual return on scheme assets was a deficit of £2,762 (2021: a surplus of £7,201,000)

Amount recognised in the statement of financial activities

	2022	2021
	£000	£000
Current service cost (net of employer contributions)	9,197	(3,524)
Past service cost	-	-
Interest income	(773)	566
Interest cost	1,540	(1,086)
Administration expenses	111	(107)
Total amount recognised in the SOFA	10,075	(4,151)

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

	2022	2021
	£000	£000
At 1 September	87,715	62,980
Current service cost	9,197	6,940
Past service cost	-	-
Interest cost	1,540	1,086
Employee contributions	1,156	1,105
Actuarial loss	(44,164)	15,066
Benefits paid net of transfers in	(523)	(473)
Defined benefit obligations in relation to deferred members transferred from Orchard Hill College		1,011
At 31 August	54,921	87,715

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

20 Pension and similar obligations (continued)

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

	2022	2021
	£000	£000
At 1 September	42,137	30,440
Interest income	773	566
Return on plan assets (excluding net interest on the net defined pension liability)	(3,535)	6,635
Employer contributions	3,589	3,416
Employee contributions	1,156	1,105
Benefits paid	(524)	(473)
Administration expenses	(110)	(107)
Scheme assets transferred in relation to deferred members transferred from Orchard Hill College		555
At 31 August	43,486	42,137

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:

- Family Liaison Officer (limited access);
- Co-ordination of apprenticeships;
- Digital Learning support;
- Consultancy

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

	2022	2021
	£	£
Service Provided		
Core Service Contribution	164,080	160,862
<i>Additional services</i>		
Therapy and nursing services	-	66,834
Consultancy	-	-
Digital School	-	24,970
Occupational Health	-	19,830
Post -16 consultancy	-	12,870
IT and Insurance	146,832	-
TOTAL	310,912	285,366

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 Trust Handbook. The Trust no longer incurs service level agreement charges from The College for Training, Safeguarding and Occupational Health. Employees for those departments have transferred to Trust payroll and are

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

21 Related Party Transactions (continued)

now recharged to the College. The consultancy cost of £164k largely relates to support for senior leadership and curriculum enhancement.

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

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 £11,200 (2021: £24,900) during the period. The previous year included two years' worth of costs. There were no outstanding amounts at 31 August 2022 (2021: £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:

	2022	2021
	£	£
Business support service		
Premises	258,088	279,740
IT Support	179,148	210,220
HR service	150,791	139,331
MIS	11,766	103,023
Finance services	291,127	241,564
PA support	27,431	51,984
Marketing service	76,726	45,597
Governance	14,915	-
Senior leadership, governance and school improvement	-	24,077
Safeguarding	15,721	-
Training	19,146	-
Occupation Health	17,563	-
Legal	1,800	-
Core service contribution	1,214,250	1,096,741
TOTAL	2,278,472	2,192,277

Safeguarding, training and occupational health support services transferred from College to OHCAT payroll at the beginning of the academic year and as such the related party transactions are now due from College to the Trust.

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

- Nightingale Community Academy received £107,950 (2021: £155,975) 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 £11,338 (2021: £22,064) under a service level agreement to for costs incurred in relation to Garratt House, a property. The previous year included two years' worth of costs

Included in debtors is £86,369 due from Orchard Hill College at 31 August 2022 (2021: £250,148). The amount due from OHC to OHCAT for VAT recoverable in June 2022, July 2022 and August 2022 is £284k, £276k and £228k respectively.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022

(continued)

The amount due to OHC from the Academy Trust as at 31 August 2022 was £309,892.

22 New schools

There have been no academy conversions during the current year.

Addington Valley Academy opened in September 2021 as a free school with a 125 year lease agreement and building valuation of £17.4m has been recognised in the 2021/22 financial statements in respect of the property constructed and donated by the DfE.

PRIDE Academy, a new free school which replaces the provision at Young People's Academy, moved in to its new building in April 2022 and as at 31st August the Trust held a licence to occupy, rather than a signed lease agreement. However, given that the major risks and reward of occupying the property had passed to the Trust prior to the balance sheet date, it was considered appropriate to recognise the new free school building constructed and donated by the ESFA in the 2021/22 financial statements at its valuation at the date of transfer of £10.6m.

These amounts are included within both income from donations, and tangible fixed asset additions (see note 12) and will be taken to equal the deemed cost of the assets in future years.

Disposals of freehold land and buildings of £3.3m disclosed at note 12 relate to the write out of the old Young People's Academy building from the balance sheet.

23 Events after the balance sheet date

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).

Orchard Hill College Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022
(continued)

24 Comparative information

Statement of Financial Activities for the year to 31st August 2020

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