

ORCHARD HILL COLLEGE ACADEMY TRUST
Company Limited by Guarantee

Annual Report and Financial Statements

Year ended 31 August 2023

Company Registration Number: 08476149 (England and Wales)

Orchard Hill College Academy Trust

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Orchard Hill College Academy Trust

Reference and Administrative Details

Members

J Mercer (Chair of OHCAT Board)
Orchard Hill College (Representative - Julie Avis –
resigned 24.03.23)
I Pryce
M Malcolmson (appointed 01.09.22)

Directors (Trustees)

J Mercer (Chair)
Y Burgess (Vice Chair)
S Lawes
B McIntosh
H Norris
A Chiva
M Tikkiwai (appointed 01.09.23)
M Ayoola (appointed 01.09.23)
P Holland (appointed 01.09.23)
R Leclerq (appointed 01.09.23)
J Prior (CEO and Accounting Officer)

Executive Senior Leadership Team

CEO
Deputy CEO
Chief Finance Officer
Chief Operating Officer
Executive Director of Development
Executive Director for Quality & Standards

J Prior
L Cornwell
C Jenkins
S Dixon (resigned 31.08.23)
L Barratt
J James (appointed 01.09.23)

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

Orchard Hill College Academy Trust

Artillery House, Fort Fareham
Newgate Lane
Fareham
PO14 1AH

Orchard Hill College Academy Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of Orchard Hill College Academy Trust (the "Trust" or "OHCAT" or the "charitable company") for the year to 31 August 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operated 14 schools during 2022-23: 13 special academies and one alternative provision academy, as follows:

- Carew Academy, in Sutton, for pupils aged 7-19 with additional and complex learning needs;
- The PRIDE Academy, in Hillingdon, for pupils aged 11-19 with social, emotional and mental health needs;
- The Skills Hub, in Hillingdon, an alternative provision for pupils aged 5-19;
- Dysart School, in Kingston-upon-Thames, for pupils aged 4-19 with a range of severe and complex learning needs across the main site and two satellite sites;
- 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 School, in Sutton, for pupils aged 4-19 whose primary need is speech, language and communication across three sites;
- 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 10-16 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 academies' pupil capacity (planned places as stated in the individual academy's supplementary funding agreement) and numbers on roll (as at the January 2023 school census) are shown below.

Academy	Planned Places	Numbers on roll
Carew Academy	230	247
The PRIDE Academy	110	64
The Skills Hub	120	79
Dysart School	150	161
Bedelsford School	120	129
St Philip's School	185	180
Nightingale Community Academy	120	120
The Link School*	148	149
St Dominic's School	150	152
Grafham Grange School	70	59
Brantridge School**	134	75
Arbour Vale School	335	342
Unified Academy	120	64
Addington Valley Academy	150	113
Total	2142	1934

* The Link School was formed following the merger of the Link primary and Link secondary schools and the development of the Link satellite site.

** Brantridge School has approval to offer a secondary co-ed provision of 80 places which will bring the combined primary and secondary provision to 134. The secondary offer is dependent on a suitable building being constructed by West Sussex County Council.

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

Members are able to appoint up to 8 Trustees and Orchard Hill College, as the Sponsor body, is able to appoint one further Trustee, using such process as they determine. The Trustees may appoint co-opted Trustees. 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 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 that academy's website.

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 a comprehensive package of online training modules through The Key, the National Governance Association and Educare, all 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. 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 2022 with an agenda that included strategic discussions, safeguarding updates and SEND-specific training around neurodiversity, social emotional and mental health (SEMH) needs, and pathological demand avoidance (PDA). The conference held in October 2023 included OHC&AT priorities and progress, effective governance, safeguarding updates, workshops on sharing effective practice, Impact on learning and progress when in a purpose built building, and networking with all members of the governance family.

Orchard Hill College Academy Trust

Trustees' Report (continued)

All new Governors receive an induction 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 Deputy CEO, who seek input from the LGB Chair with regard to the Principals' appraisals. The Deputy CEO, CFO, COO, EDD and EDQS 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 three Members.

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
Finance and Resources	Stephen Lawes
Health and Safety, Safeguarding and Child Protection	Barbara McIntosh
HR and Organisational Development	Yolande Burgess
Business Development and Marketing	Anna Chiva

Administration of the Trust's finances is delegated to the Chief Finance 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)
- Executive Director for Quality & Standards (EDQS) (new role created 01.09.23)
- All Academy Principals

Orchard Hill College Academy Trust

Trustees' Report (continued)

- College Principal
- College Vice Principals

The OHC&AT Remuneration Committee is comprised of five Trustees (two OHC Trustees and three OHCAT Trustees), which is quorum.

The Remuneration Committee makes recommendations to the OHC&AT Board 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.

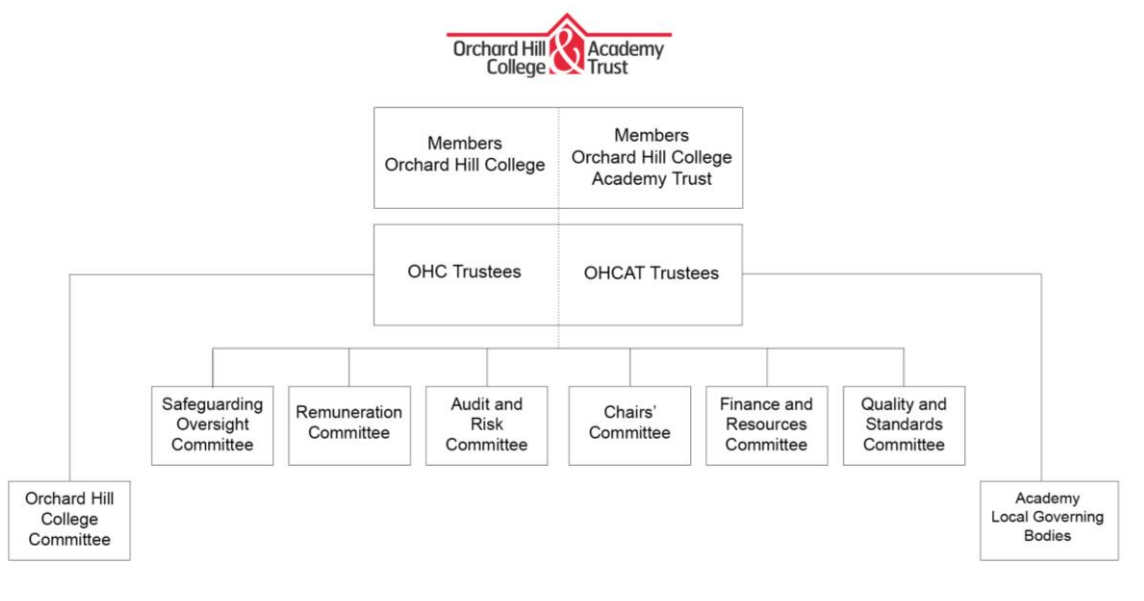
Trade union facility time

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, 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 Finance, HR, IT and Facilities.

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, INSET/development days and the staff 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.

During the period under discussion OHCAT initiated development of a People Strategy to support the next strategic phase through improved recruitment, retention, job satisfaction and professional development. The first phase of development was a whole organisation staff survey which was conducted in June 2023 by an external company, Edurio. Initial feedback was shared with ESLT, Principals and Central Team leads; survey data will feed into the next phase of work on the People Strategy during 2023-24.

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 DfE Regional Directors, wider DfE departments 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 the 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
 - educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision academies") or;
 - 16 to 19 academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 academies") or;
 - schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- b) to promote for the benefit of the inhabitants of the local authority areas (and surrounding areas) in which any of the academies are situated, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

Mission and Vision

Orchard Hill College Academy Trust, together with trust sponsor Orchard Hill College, operates as a collaborative family of specialist providers. Our mission is to support, enable and champion the talents, skills and rights of the most complex and vulnerable people in our society, in order that we can release their potential, promote their wellbeing and transform their lives. As a community of learners, families and colleagues we believe that by working

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Trustees' Report (continued)

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).

During the period under discussion the Trust operated with 14 academies and central support functions, while Orchard Hill College offered specialist educational programmes for pupils and students aged 16 and over in 8 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 further strengthening of existing academies and the free school projects already in development rather than expand the Trust through the addition of converter academies. Consequently, no new schools joined the Trust in 2022-23.

1.2 OHCAT strategy

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

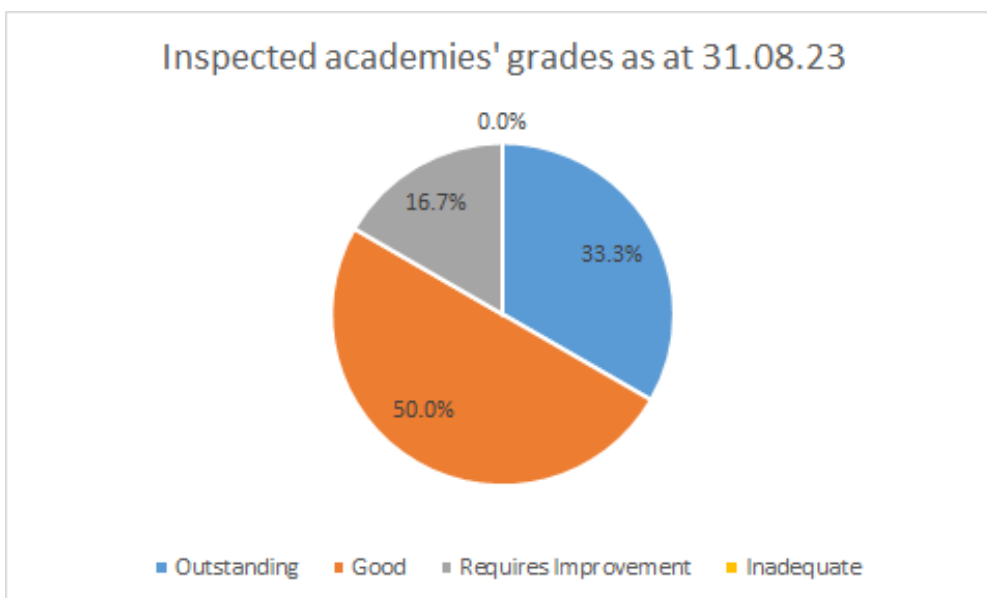
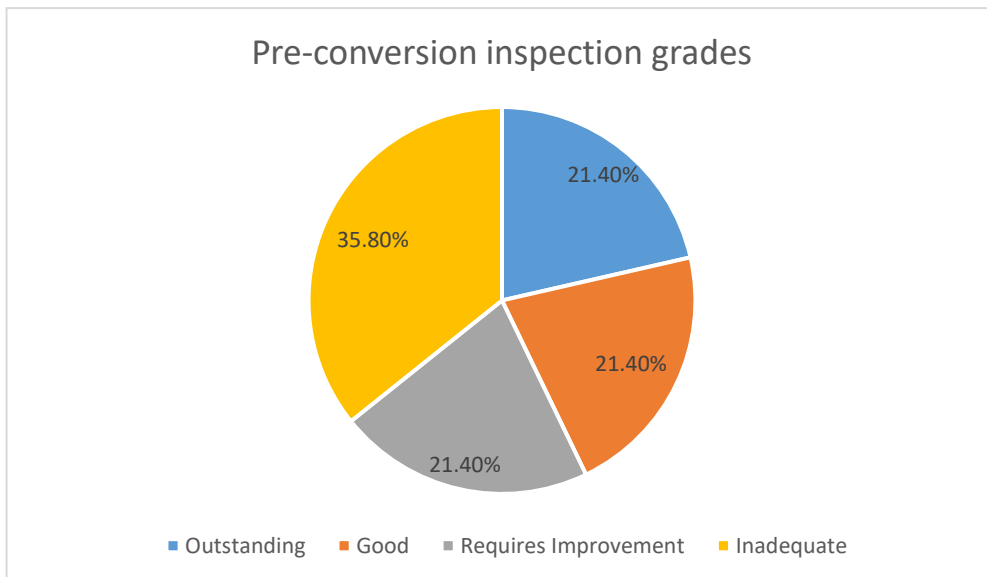
- Quality, standards and reputation: ensuring life-changing outcomes, meaningful destinations and quality of life for every young person within the Trust, through the delivery of consistently excellent teaching and learning across a rich and relevant curriculum offer;
- Innovation and specialism: growing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

Orchard Hill College Academy Trust

Trustees' Report (continued)

1.3 Achievements and Performance

Since inception in 2013, all of OHCAT's academies have received at least one post-conversion (or, as a new Free School, initial) Ofsted inspection. Two of OHCAT's 14 academies have since reopened as free schools (The PRIDE Academy and The Skills Hub) and have not yet been inspected as new schools, therefore currently, OHCAT has 12 schools with 'live' Ofsted grades. There continues to be a strong overall profile of post-conversion improvement. Of the eight academies to have joined OHCAT with an Ofsted grade of Inadequate or Requires Improvement, 75% (6/8) are now Good or better overall. The remaining two (25%) are nonetheless on positive improvement trajectories. 83% of currently inspected OHCAT academies are rated as 'good' or 'outstanding', against the latest (August 2022) national figure for SEND schools of 88%.



Summer 2021, 2022 and 2023 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 continuing complex challenges of returning to 'normal' post-Covid. Summer 2023 outcomes built on the foundations of the previous year's first full exam series following two years of Centre Assessed Grades (CAGs). The total GCSE point score across all subjects (twenty-five subjects in 2023) and grades across the Trust increased by 27% between summer 2022 and 2023. When set against the last set of pre-Covid outcomes (2019), we see a 55% increase in like-for-like comparison. Pass rates improved from summer 2022 to summer 2023 within 15 of the 25 subjects

Orchard Hill College Academy Trust

Trustees' Report (continued)

offered, including core subjects (English, maths, combined science) as well as wider arts, science and humanities subjects.

GCSE point score across the Trust within the 4-9 grade band (good/strong pass) increased by 60% between summer 2022 and 2023, a further acceleration of the continuing upward trend in both participation and quality of pass. Again, comparison against the last set of pre-Covid outcomes shows that the point score for 4-9 grade GCSEs has doubled between summer 2019 and summer 2023.

2023 also saw further A-level success for students in two of our schools, with a 7% increase in total A-level point score between summer 2019 and summer 2023 (op. cit.), with grades from A to E. This 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 (163 vocational qualifications achieved in total in 2023). 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 decreased by 47% between summer 2022 and summer 2023. However, it is worth noting that numbers of OHCAT pupils entered for Functional Skills qualifications typically fluctuate more widely from year to year compared to GCSE entries; this may be due to variance in cohort, including readiness and ability of pupils to be entered for GCSE maths and English (see above regarding the growth of strong passes in core subjects during 2022-23).

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 2022 (the latest available data) shows the NEET rate (England) for 16-24 year olds at 12.3% (10.5% in 2021) and for 18-24 year olds 14.5% (12.6% in 2021). For 16-17 year olds, the 2022 figure was 4.5%. In 2020 (the most recent accessible data set) for London, the NEET rate was 6.0% 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).

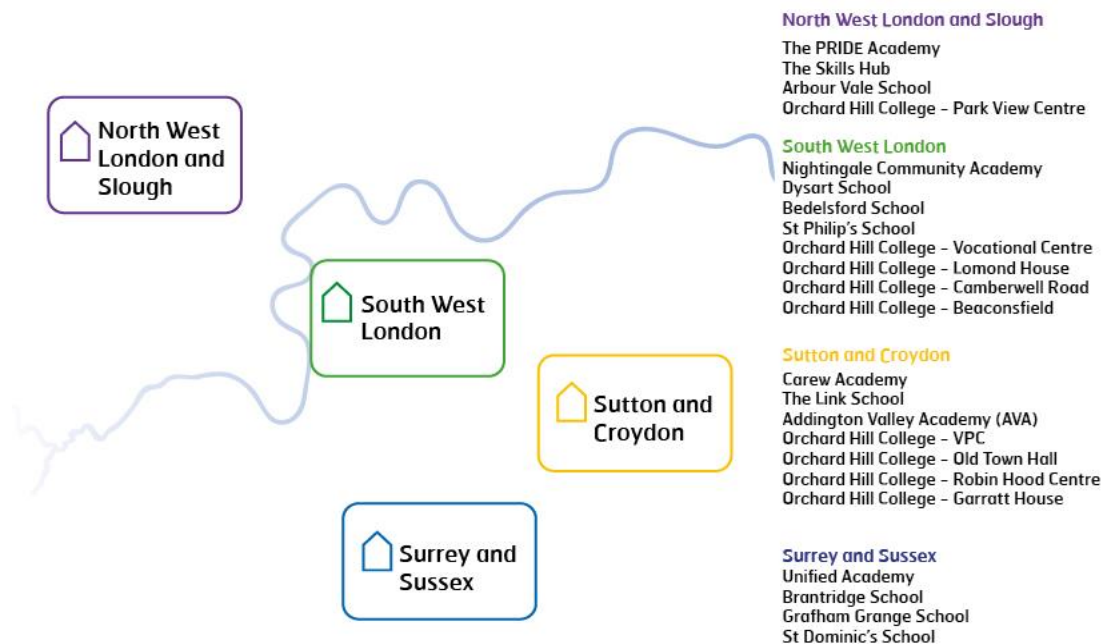
1.4 Academy Updates

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

Hub	Academies
Sutton and Croydon	Carew Academy, The Link School, Addington Valley Academy
North West London and Slough	The PRIDE 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

Orchard Hill College Academy Trust

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 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 OHCAT's 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:

A DfE Significant change business case was submitted to the Regional Schools Commissioner, seeking approval to amend the Funding Agreement for Arbour Vale School to make permanent the incremental increase within the school's funding agreement by amending the planned places from 304 to 335, and to formally remove the residential provision from the funding agreement.

In the period 2021-2022, Brantridge School received approval from the DfE on its business case to expand the school from a small primary provision of 54 places to accommodate a co-ed secondary provision (Year 7 to Year 11) of 80 pupils on the current school site within a new building funded by West Sussex Council. A small cohort of 14 Year 7 pupils started in September 2022 with the intention that they would progress onto the new secondary provision. However, WSCC have not yet been able to approve the funding for the capital programme so unfortunately the school was not able to continue to offer a secondary provision from September 2023. The Trust continues to work with West Sussex to determine if a secondary provision can be established at Brantridge School sometime in the future as we firmly believe that this is in the best interests of our pupils.

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 a vocational centre at St Philip's School, of which the Council has confirmed £3.1 million towards the St Philip's project.

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 particular, The Link School PDA outreach provision is supporting a number of schools and families across a number of local authorities and Dysart School is providing an ASD outreach offer to Kingston schools. 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. During the period under discussion, partnership links were forged with Roehampton and St Mary's universities alongside strengthened

Orchard Hill College Academy Trust

Trustees' Report (continued)

partnership working with Canterbury Christ Church University, enabling Trust senior leaders to feed into a number of developmental projects around improving initial teaching training (ITT) with respect to SEND specialisms.

The Trust continued to refine and develop its CPD offer, in line with stated strategic priorities around developing the specialism and nurturing talent. This includes:

- Staff specialist and professional networks (School Business Managers, Designated Safeguarding Leads, Careers Leads, English Leads, Maths Leads), providing vital cross-linking of best practice, resources and information sharing.
- Termly Principals' away days and biannual away days for Deputies and Senior Leaders, which enable a cross-cutting collegiate approach to key strategic and operational matters. These are led by the CEO and Deputy CEO with input from Trust colleagues and external speakers around finance, HR, professional development and legal advice.
- Termly development sessions for OHCAT Central Teams staff, enabling employee participation in strategic conversations on areas including cross-organisational working, staff wellbeing, and equality, diversity and inclusion, as well as focused updates on key compliance matters such as safeguarding and financial regulations. 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. Alongside the regular online sessions, an inaugural in-person conference was held in the summer term 2023.
- OHCAT's annual Safeguarding conference, which this year was held on 15th June 2022, with keynote presentations on online safety, the role of the LADO and managing allegations against staff. Feedback from attendees including DSLs, Principals, senior OHC&AT staff and governors was extremely positive.
- Teacher training routes for staff wishing to become qualified teachers. Routes supported by OHCAT include Assessment Only, the postgraduate Teacher Apprenticeship programme and the specialist Diploma in Education & Training programme, delivered by Orchard Hill College in partnership with Canterbury Christ Church University. OHCAT and OHC continue to work closely with CCCU in a wider partnership capacity, including supporting with Ofsted's inspection of CCCU's teacher training provision in May 2023; inspectors met with teaching staff and trainees as well as visiting trainees at St Dominic's. CCCU's provision was graded as Good, with the final report noting that *"Trainees on the specialist pathway programme for teaching learners with SEND gain a sound grasp of learning theories. For example, trainees learn about how to sequence subject content so that learners develop knowledge successfully. They understand the importance of designing a curriculum which builds in time for learners to revisit knowledge and then link new content to what they already know in lessons."*

In response to the significant increase in OHCAT pupils, 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 and wellbeing 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. All schools and the College have completed two needs assessments to ensure a tailored online resource for each provision, which are being used across the curriculum and as specified interventions for pupils/students, staff and families. Anecdotal feedback from Principals, Designated Safeguarding and Mental Health leads has been extremely positive and have reported an improved confidence in staff to support others with their mental health and wellbeing.
2. To ensure high quality Clinical Supervision for frontline staff to counteract the 'cost of caring'. As a result, the vast majority of schools and the College access either group, or one to one Clinical Supervision. .
3. Develop a sustainable mental health strategy that builds upon the current provision and infrastructure to support the organisations and school/colleges mental health. All provisions, the Central Support Team and governance were represented at Applied Suicide Intervention Skills Training (ASIST), which was delivered by Papyrus UK in January 2023. An overarching Trust policy on suicide intervention has been developed with each provision having established procedures to accompany it.

Following a competitive tendering exercise, the Trust appointed Joskos as its ICT managed service provider (MSP) as of 1st June 2023. The decision to outsource was made following extensive discussion with Trustees, and with the aim of ensuring that OHCAT pupils/students, staff and stakeholders have access to a secure, compliant and fit-for-purpose IT platform, supported by recognised sector specialists. Phase 1 of the cloud migration project is underway, with completion of Phase 2 estimated by the end of next academic year.

Orchard Hill College Academy Trust

Trustees' Report (continued)

1.5 Potential Academies

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

Following the successful opening of three free schools (Addington Valley Academy, The PRIDE Academy and The Skills Hub), the Trust continues to progress two 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. Following considerable delay, construction has commenced onsite and the anticipated opening of the new school is January 2025.
- 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 likely a 1 September 2026 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 2024, 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 operating performance at a consolidated level for core delivery was better than planned with a broadly break-even position after LGPS deficit repayment lump sums; largely due to securing, from our Local Authority partners, additional national high-needs funding increases combined with continuing challenges with local recruitment and the limitations of accessing large pools of agency staff, with the necessary skills to work with our most vulnerable learners. This continues to be a challenge for the SEND sector as the complexity of our learners has significantly increased year on year. Leaders therefore adapted their delivery models throughout the year to mitigate any impact on quality and maintain high support levels. Whilst this is possible in the short to medium term, the Trust is working with stakeholders and other professional bodies to optimise the work force and offer improved recruitment packages, better progression and enrichment of skills.

At a local, constituent academy level, many of our settings delivered in-year deficit budgets, due to the government's unfunded pay award announcements, made after budgets had been finalised in June 2022. As a result of the pressure on most settings to absorb the increased pay inflation, alongside huge increases in energy contracts and general cost inflation; Trustees agreed to the partial utilisation of Trust wide-reserves to support schools in the current year and allow them adequate time to adjust their cost structures for future years. This was to protect front-line delivery and learner experience. Most schools were required to use their own reserves, where they met our reserves policy criteria and were given a capped value of permitted use to ensure their long-term solvency and committed projects were protected. There were, however, a few settings with limited access to reserves and Trustees approved an exceptional one-off virement to ensure all OHCAT learners had the same opportunities and were not at a detriment to those in more fiscally sound provisions.

Principal risks, key factors and uncertainties

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

Orchard Hill College Academy Trust

Trustees' Report (continued)

- 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 and an increase in Safety Valve Agreements with a large proportion of our partners; the Academy Trust has high levels of cash reserves to withstand fluctuations in cash flow and risk is mitigated due to working across 34 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 several of our commissioners consulting and implementing their own banding structures resulting in reductions in funding. The Trust is at different stages of negotiation with three major commissioners to limit any negative impact on learners and staffing structures by phasing the changes over a number of years 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 came 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 have received Secretary of State approval to consolidate three of our existing funds into a single LGPS fund, which is due to complete by December 2023. We will look to seek approval for the remaining four funds in the coming months.
- Increasingly, sites are operating at capacity, with some academies experiencing significant waiting lists as demand exceeds places available; resulting in many of our Local Authorities looking to work with us to deliver expansion projects. The estates strategy focuses on identifying opportunities for growth in collaboration with the local authorities while recognising in-house capacity constraints and timescales.

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 35. 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 8.

Income for the year to 31 August 2023 (excluding restricted fixed assets) was £73.8m (2022: £66.2m) and was derived principally from ESFA and local authority funding but also includes start up grants relating to the opening of the new free schools and additional coronavirus funding.

Expenditure (excluding depreciation, pension liability transferred from Orchard Hill College and other FRS102 pension adjustments) for the year ended 31 August 2023 was £71.7m (2022: £63.4m). 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 £58.6m (2022: £53.1m).

The net position for the year, therefore, was a revenue surplus of £2.1m before transfers to the restricted fixed asset fund (2022: £2.8m).

General reserves

From the revenue surplus of £2.1m, £2.9m (2022: £2.1m) was invested in fixed assets and the overall net decrease

Orchard Hill College Academy Trust

Trustees' Report (continued)

in general reserves was £0.8m (2022: £0.7m). Total general reserves have decreased from £14.6m to £13.8m during the year to 31 August 2023.

As at 31 August 2023 the Academy Trust had unrestricted reserves of £4.6m (2022: £3.8m), being accumulated net funds generated from trading activities outside providing education and surpluses transferred to the Trust on the conversion of new academies.

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.

As shown in note 15, all academies and central services had positive accumulated general reserves at the year end. However from an operating perspective, 11 provisions reported deficit position for the year under review; this is largely due to the unfunded pay inflation and general cost of living and non-pay increases. Unified Academy, the most recent sponsored academy to join OHCAT, continues to face significant funding challenges, mainly due to a declining pupil roll and lower than average top up funding. These issues are being addressed with the local authority and local teams.

Fixed asset fund

The Skills Hub moved to its new free school site in January 2023 and the building has been recognised at its valuation of £7.04m. This amount is included within income from donations and tangible fixed asset additions. Loss on disposal of leasehold land and buildings of £1.3m has been recognised in relation to the old Skills Hub building.

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 2023 the net book value of Fixed Assets was £124.2m (2022: £116.4m), the increase largely due to the recognition of properties for The Skills Hub. This asset is 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 £5.3m (2022: £11.4m) as at 31 August 2023. 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.

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).

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

- Contingency – to deal with unforeseen events that cannot be covered in the annual approved budget;
- The cost intensive nature of the provision, particularly given the dependency on income from local authorities many of whom are also facing significant financial pressure;
- A planned build-up of funds to pay for some major work, project or replacement programmes as identified in the estates strategy, particularly as the Academy Trust no longer qualifies for the condition improvement fund;
- Funds held from one year to the next to manage variations in funding levels or specifically allocated grants for which carry forward is allowed; and
- To support future education purposes in line with the Improvement Plan of each Academy within the Trust.

Orchard Hill College Academy Trust

Trustees' Report (continued)

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

Academy	Plan for reserves	Ringfenced Projects £'000
Carew	Pitch roof works and ICT cloud migration	328
PRIDE	LGPS pension deficit payments	71
The Skills Hub	LGPS pension deficit payments and ICT cloud migration	93
Bedelsford School	Plans for first floor extension	850
Dysart	ICT cloud migration	66
St Philip's School	ICT cloud migration and Willow Block	545
The Link School	ICT cloud migration and new site	540
Grafham Grange	Replacement of 3G pitch and water, heating and sewage works	259
Arbour Vale	Legal and profession fees associated with PFI contract	389
Central Services	Head Office relocation and ICT cloud migration	240
	Total ring-fenced reserves	£3,381

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 £5.3m 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 2025 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 eventually 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 2023 amounted to £13.8m (2022: £14.6m), of which £9.2m is held in restricted general funds (2022: £10.8m) and £4.6m is held in unrestricted general funds (2022: £3.8m). Total general reserves of £13.8m are equivalent to approximately 70 days of expenditure, which exceeds the reserves policy requirement of holding reserves at a level equivalent to between 45 and 60 days of expenditure. After ring-fencing reserves of £3.4m, remaining reserves of £10.4m 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 a range of banks 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.

Orchard Hill College Academy Trust

Trustees' Report (continued)

- 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 14 academies. Ensuring the delivery of a transformative, high quality of education at OHCAT Academies is the central mission of the Trust and crucial to its continued success and growth. This core focus continues to effect sustained improvement across our academies. The Trust's robust quality and progression monitoring framework is fully embedded, enabling a deep understanding at executive level of each school's strengths and areas for development to inform targeted improvement initiatives, underpinned by robust quantitative and qualitative data.

2. Reputation

The Trust provides transformative learning and pastoral support for vulnerable pupils and students. It is critical that the Trust maintains a reputation for high quality and for sound and responsible practice and is increasingly involved in system leadership and broader advocacy for those with SEND. The Trust has robust and regularly reviewed policies and procedures in place for child protection and safeguarding, and financial and regulatory compliance. OHCAT invests heavily in training and continuing professional development to ensure that staff at all levels and layers of the organisation develop a deep understanding of complex needs and SEND, as well as an understanding of crucial compliance matters and their role within these, so that we can continue to build the specialism within a secure compliance framework.

3. Compliance

The academies within the Trust are geographically dispersed across four regional hubs. In addition, the Trust works to an underlying principle of localism supported by a central function. Such a local and regional focus means that individual academies can be more responsive to the bespoke nature of their context. It also reduces the risk of micro-management from a central function that may be less well informed about the local landscape and impose less efficacious solutions. Overarching this approach is the core role that the Trust plays in the monitoring and assurance of each school and in relation to statutory policies and procedures, key stakeholder engagement and the promotion of OHCAT's broader mission and vision more widely.

The reciprocal risk of this approach is that on matters of compliance, local variations could result in inconsistencies across the organisation as a whole. Our well-developed and established risk assessment processes – particularly, but not exclusively, in relation to safeguarding, financial systems, processes and reporting, recruitment and statutory policies – ensure that the Trust has comprehensive executive oversight of risk and any behaviours that may be sub-optimal in relation to compliance, and is able to intervene appropriately, decisively and in a timely manner.

The Trust continues to invest in the improvement in school estates, completing four CIF projects during the year and continuing a number of SCA and reserves-funded projects. The Trust has actively participated in the DfE RAAC survey programme since December 2022, and surveys conducted confirmed the use of RAAC in the roof of only one building. The site was closed for the first week of the Autumn term 2023-24 only, and access to the affected area has been removed while remedial works are carried out. The results of all surveys have been shared with the DfE and an internal project team meets weekly to progress the works.

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.

Orchard Hill College Academy Trust

Trustees' Report (continued)

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 expansion and development of existing and satellite sites where possible and through the Free School programme, rather than further academy conversions, as well as deepening and maturing the Trust's work so that best practice is consolidated. Where prospective academies are considered, they undergo a thorough due diligence process before a decision is made by Trustees on whether to proceed with conversion.

6. Business Continuity

Interruptions to typical activity can have a negative impact on the offer provided to OHCAT pupils and students. In a dynamically shifting national, regional and local landscape, threats to normal business continuity are real and to the fore. OHCAT has a secure ethos, a clearly defined headline mission and vision, and a well-articulated and understood set of values, in addition to an effective and responsive business support service. These combine to support the Trust to continue to deliver to a high standard even if working practices need to be adapted. Our suite of risk assessment and monitoring supports a detailed understanding of the overall operational picture across OHCAT at any given time.

7. Funding

The Trust is reliant on Government funding to support pupils and students whose additional support needs carry costs that exceed most other forms of ongoing funding. Variations in the funding methodology and levels of resource, as well as changes in eligibility criteria and other uncertainties within the wider landscape, create potential risk. The Trust engages proactively with funding bodies to raise awareness of the potential impact of planned actions and maintains strong working relationships with external agencies such as Local Authorities and Regional Schools Commissioners in order to ensure that productive dialogue takes place at local, regional and national level.

Risk Management

The Trust regularly reviews the key risks to which its operations are exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. Risk management is embedded throughout; risk registers are maintained and monitored at all levels of the organisation. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks. In addition, factors are in place that provide the Trustees with the capacity to deal with issues or problems that occur, for example, calling on an experienced, capable Executive Senior Leadership Team, or other specialists, who are able to act quickly in response to unexpected events through forward planning, policies and insurance and through holding appropriate reserves. Additionally, the Board of Trustees has 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 such as vocational and sensory projects.

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

Orchard Hill College Academy Trust

Trustees' Report (continued)

The Trust does not use commercial fundraising 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 2022 and 31 August 2023 is as follows:

Energy consumption breakdown:	Year to August 2023	Year to August 2022
Gas	5,851,312	6,327,599
Purchased electricity	2,434,185	2,496,309
Transport fuel	220,153	199,908
Mandatory energy consumption (kWh)	8,505,650	9,023,816
Voluntary energy:		
Gas oil	591,421	610,948
Total voluntary energy (kWh)	591,421	610,948
Total mandatory & voluntary energy consumption used to calculate emissions (kWh)	9,097,072	9,634,765

Intensity Ratio

The chosen primary intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per pupil (based on the October 2022 census), which is the recommended ratio for the education sector.

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

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

Emission source	Year to August 2023	Year to August 2022
Mandatory emissions:		
Scope 1		
Natural gas	1,070.4	1,155.0
Transport - Company owned vehicles (mini-buses)	33.8	40.3
Scope 2		
Purchased electricity (location-based)	504.1	482.7
Scope 3		
Transport – Business travel in employee owned vehicles	20.3	9.6
Total gross mandatory emissions	1,628.6	1,687.6
Intensity ratios (mandatory emissions only)		
Tonnes of CO ₂ e per pupil	0.858	0.942
Tonnes of CO ₂ e per square meter floor area	0.033	0.041
Voluntary emissions:		
Scope 1		
Gas oil	153.8	158.6
Total gross voluntary emissions	153.8	158.6
Total gross voluntary & mandatory emissions	1,782.5	1,846.2

Orchard Hill College Academy Trust

Trustees' Report (continued)

Energy efficiency action during current financial year

- The Skills Hub underwent a roof replacement, where the flat roof was upgraded to a Langley roof system. Additionally, the clay tiles were replaced with identical ones, and thermal insulation was enhanced. These improvements remained in place until the building was vacated at the close of December 2022.
- Carew saw approximately one-third of its roof replaced, with slate tiles being substituted with matching tiles that met the latest insulation standards. These renovations were finalized at the end of February 2023.
- Grafham Grange received comprehensive upgrades, including the replacement of boilers and heating distribution systems for the main building, as well as the art, science, and stable blocks. These improvements were completed by the conclusion of October 2022.
- St. Dominic's, specifically The Lodge, now referred to as The Hive, underwent an extensive internal refurbishment. This included the installation of new LED lighting, heating systems, windows, and doors. All of these renovations were finished by the end of August 2023.
- Phoenix House, now known as The Hub, underwent multiple improvements, such as replacing the glazing in the conservatory roof with a pitched insulated roof, installing LED lighting, replacing the domestic boiler, and upgrading kitchen appliances with new ones.

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

Date: 8th December 2023

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
Anna Chiva	2	3
Yolande Burgess	1	3
Helen Norris	3	3

The Audit and Risk Committee oversees and approves the trust's programme of internal scrutiny and ensures that risks are being addressed appropriately through internal scrutiny. It includes financial and non-financial controls and management of risks. This 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	2	3
Yolande Burgess	2	3

The Finance and Resources Committee is responsible for monitoring and making appropriate recommendations to the Trust Board on income and expenditure, financial implications for the Trust, premises and asset management including health and safety, Human Resources and MIS. The 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 oversees and monitors safeguarding across OHCAT to safeguard and promote the welfare of children and young people. The committee has met twice during the period. Attendance in the year was as follows:

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

Orchard Hill College Academy Trust

Governance Statement

The Quality and Standards Committee ensures that OHCAT's strategic visions and values are at the core of its endeavours whilst being responsible for monitoring and making appropriate recommendations to the OHCAT Board for the following: the appropriateness and suitability of the curriculum offer provided, including statutory elements; progress and achievement measures; strategic objectives, most particularly as they apply to quality and standards and the impact of said objectives; and quality and standards of pastoral, wellbeing and welfare support for OHC&AT learners. This 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	3	3
Helen Norris	3	3

The Remuneration Committee is responsible for reviewing and recommending the salaries and other forms of compensation for the CEO and the senior executive leadership team. The committee has formally met once during the period. Attendance was as follows:

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

The Chairs' Committee is a non decision-making forum and provides a mechanism for the Chairs of Trustees and Chairs of Local Governing Bodies to discuss key areas, and promote discussion and feedback between the OHCAT Board and LGBs. This committee has formally met twice during the period. Attendance of OHCAT Trustees at these 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 meetings from September 2022 to August 2023 was 83%.

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, which includes regular one to one meetings with the CEO of the Trust, visits to OHCAT provision and feedback on policy development.

The Board of Trustees held its annual conference on 6th October 2023. The event was well-attended, and feedback was positive.

The Scheme of Delegation is reviewed annually. The review encompasses further growth and development within the Trust and aims to ensure coherence and mutual understanding of OHCAT's ethos, vision, strategy and delegated responsibilities.

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.

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.

Orchard Hill College Academy Trust

Governance Statement

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 ensure compliance, adequacy of existing controls, assess any potential risk to pupils, staff and the organisation as a whole, and determine any actions necessary to mitigate that risk including seeking formal assurances of arms-length processes. All potential conflict of interest information is reviewed by the Assistant Director of Finance and a summary report presented annually to Audit & Risk Committee in order to provide assurance that robust processes are in place to mitigate risk around potential or actual conflicts of interest.

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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

Improving Educational Results through Targeted Intervention and Collaboration

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

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

Internal benchmarking has been used across all schools to identify areas of cost inefficiency and to support LA funding discussions. The Trust continues to review the effectiveness and value for money of its centralised model of back-office support to achieve economies of scale and shared expertise whilst retaining local specialisms and protecting front line delivery to ensure support recharges are well managed, fit-for-purpose and can be funded within the budgetary constraints.

Effective Prioritisation of Capital Projects

The Trust has a clear framework in place for prioritising capital projects, in order to both maximise the positive impact of capex budgets and other capital funding streams through effectively targeted investment, and to ensure effective oversight and management of risk associated with capital projects. As set out in the Trust's policies on capital project prioritisation and use of the Schools Condition Allowance fund, OHCAT's approach is informed by DfE condition grades and draws on condition survey data in order to make best use of all available funds to maintain and improve the Trust estate. Projects responding to safeguarding and/or health and safety issues are given highest priority, followed by those that address business continuity (i.e. where a risk of school closure has been identified). Costed bids are submitted to ESLT by Principals and assessed according to prioritisation criteria; ESLT then submits a formal plan of projects, timescales and costings to the Finance & Resources Committee for scrutiny and approval.

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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 & Risk 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. The Finance & Resources Committee usually meets three times a year. Alongside scrutiny of key financial risks and concerns, the Trust senior lead for each resource area provides a one-page summary covering current workflow, risk and opportunity; resource leads are then invited, on a rotational basis, to present a deep dive into the strategic direction for their area and invite support and challenge from Trustees.

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 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 or formal further competitions undertaken against frameworks unless there has been robust justification for a waiver which the Finance Regulations allow for along with stringent processes.

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 Master 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 Master PSL accounts for most common areas of spend across the Trust, i.e. from office stationery and educational supplies to canine therapy, and estates professional services. The Team will be expanding Orchard Hill College's PSL for recruitment agencies (which provides a common set of terms and conditions, transparency of charge rates/mark up values and proper alignment with both DfE guidance and industry best practice) to encapsulate the Trust's school and central support function requirements.

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

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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 evidence quality and benchmark value for money. In this financial period the Team procured an outsourced ICT managed service and associated ICT internet provider, external audit services, a new Integrated HR, Payroll & Expenses system, a new legal services retainer agreement with more 'free' time and a summer programme of building improvement works, following the Estates Team's commissioning of condition surveys across the Trust.

The Team has produced a Procurement Manual documenting the Team's processes and procedures. 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 an updated Procurement Policy.

In respect of payment practices reporting, supplier payment performance reported 77% of invoices were paid within 30 days in the year under review, against a Government-set target of 75%.

The Team has embedded KPIs in the cleaning and catering contracts to drive both quality and value for money to ensure the best experience is provided to all students in the Academy Trust and these contracts are robustly overseen by the Team.

The Team will look to focus on continuous improvement and securing CIPS accreditation as well as serving the needs of the Trust.

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).

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 2022 to 31 August 2023 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

Orchard Hill College Academy Trust

Governance Statement

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 2022 to 31 August 2023 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 Trustees;
- 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, following a competitive tender process assessing quality and cost.

TIAA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During 2022-23, the internal audit work focused on key financial controls, procurement contract management, HR management, ILR funding, and whistleblowing. No material weaknesses were identified.

On an annual basis, internal audit will report to the Board of Trustees, through the Audit & Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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
8th December 2023



J Prior
Accounting Officer
8th December 2023

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, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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

Date: 8th December 2023

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 2022 to 2023;
- 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

Date: 8th December 2023

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 2023 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 2022 to 2023.

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 2023 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 2022 to 2023.

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 director 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 2022 to 2023, 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;
- ◆ reviewed 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.



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

Date: 21 December 2023

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 5 April 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 2022, extant from 1 September 2022, 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 2022 to 31 August 2023 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is stylized, with the letters "B", "L", and "P" being particularly prominent and connected.

Buzzacott LLP
Chartered Accountant
130 Wood Street
London
EC2V 6DL

Date: 21 December 2023

Orchard Hill College Academy Trust

Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total for year ended 2023 £000	Total for year ended 2022 £000
Income from:						
Donations and capital grants	2	84	—	9,205	9,289	29,874
Charitable activities:						
Funding for the Academy Trust's educational operations	3	120	72,996	—	73,116	66,008
Other trading activities	4	231	—	—	231	219
Investment income	5	352	—	—	352	25
Total		787	72,996	9,205	82,988	96,126
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	—	71,651	4,276	75,927	76,215
Total	6	—	71,651	4,276	75,927	76,215
Net income before transfers		787	1,345	4,929	7,061	19,911
Transfers between funds	15	—	(2,870)	2,870	—	—
Net income / (expenditure)		787	(1,525)	7,799	7,061	19,911
Other recognised gains						
Actuarial gains on defined benefit pension schemes	20	—	6,063	—	6,063	40,629
Net movement in funds		787	4,538	7,799	13,124	60,540
Reconciliation of funds						
Total funds brought forward		3,800	(626)	116,415	119,589	59,049
Total funds carried forward	15 & 16	4,587	3,912	124,214	132,713	119,589

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 2023

Company Number 08476149

	Notes	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	12		124,214		116,415
Current assets					
Debtors	13	8,211		3,843	
Cash at bank and in hand		<u>20,300</u>		<u>22,520</u>	
		28,511		26,363	
Liabilities					
Creditors: Amounts falling due within one year	14a	<u>(14,645)</u>		<u>(11,689)</u>	
Net current assets			13,866		14,674
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	14b		<u>(40)</u>		<u>(65)</u>
Net assets excluding pension liability			138,040		131,024
Defined benefit pension scheme liability	20		<u>(5,327)</u>		<u>(11,435)</u>
Total net assets			132,713		119,589
Funds of the Academy Trust:					
Restricted funds					
- Fixed asset fund	15	124,214		116,415	
- Restricted income fund	15	9,239		10,809	
- Pension reserve	15	<u>(5,327)</u>		<u>(11,435)</u>	
Total restricted funds			128,126		115,789
Unrestricted income funds	15		<u>4,587</u>		<u>3,800</u>
Total funds			132,713		119,589

The financial statements on pages 35 to 60 were approved by the Trustees and authorised for issue on 8th December 23 and are signed on their behalf by



J Mercer
Chair

Orchard Hill College Academy Trust

Statement of Cash Flows for the year ended 31 August 2023

		2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	A	225	6,544
Cash flows from investing activities	B	(2,435)	(2,607)
Cash flows from financing activities	C	(10)	(4)
Change in cash and cash equivalents in the reporting period		<u>(2,220)</u>	3,933
Cash and cash equivalents at 1 September 2022		22,520	18,587
Cash and cash equivalents at 31 August 2023	D	<u>20,300</u>	<u>22,520</u>

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

	2023 £000	2022 £000
Net income for the reporting period (as per the statement of financial activities):	7,061	19,911
Adjusted for:		
Depreciation (note 12)	2,984	2,525
Capital grants from DfE and other capital income	(2,249)	(1,929)
Assets donated by the DfE	(7,040)	(27,945)
Loss on disposal of fixed assets	1,292	3,605
Interest receivable (note 5)	(352)	(25)
Defined benefit pension scheme cost net of contributions payable (note 20)	(441)	5,377
Defined benefit pension scheme finance cost (note 20)	396	878
Increase in debtors (note 13)	(4,368)	(1,577)
Increase in creditors (note 14)	2,942	5,724
Net cash provided by operating activities	<u>225</u>	<u>6,544</u>

B Cash flows from investing activities

	2023 £000	2022 £000
Interest	352	25
Purchase of tangible fixed assets	(5,036)	(4,561)
Capital grants received from DfE/ESFA	2,249	1,929
Net cash used in investing activities	<u>(2,435)</u>	<u>(2,607)</u>

C Cash flows from financing activities

	2023 £000	2022 £000
Repayments of borrowing	(10)	(4)
Net cash used in financing activities	<u>(10)</u>	<u>(34)</u>

D Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	12,095	14,572
Notice deposits (less than 3 months)	8,205	7,948
	<u>20,300</u>	<u>22,520</u>

Orchard Hill College Academy Trust

E Analysis of change in net debt

	At 1 September 2022 £000	Cashflows £000	Other non- cash changes £000	At 31 August 2023 £000
Cash	22,520	(2,220)	—	20,300
Loans falling due within one year	(12)	(3)	—	(15)
Loans falling due after more than one year	(53)	13	—	(40)
Total	22,455	(2,210)	—	20,245

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 2023

(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 2023

(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 2023

(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 2023

(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 2023. 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

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Capital grants	—	2,165	2,165	1,843
Other donations	84	—	84	86
Donated fixed assets (see notes 12 and 22)	—	7,040	7,040	27,945
	84	9,205	9,289	29,874

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	—	18,925	18,925	18,173
Other DfE / ESFA revenue grants				
Universal Infant Free School Meals	—	64	64	74
Pupil Premium	—	935	935	852
PE and sports grant	—	167	167	174
Start Up grants	—	63	63	199
Teachers pay and pension grants	—	1,361	1,361	1,555
Other DfE/ESFA group grants	—	949	949	230
	—	22,464	22,464	21,257
Other Government grants				
Local authority grants	—	47,275	47,275	41,511
Coronavirus additional funding (DfE/ESFA)				
Catch-up and recovery premium	—	509	509	591
Exceptional government funding (non-DfE/ESFA)				
Mass testing funding	—	—	—	18
Other Coronavirus funding	—	—	—	2
Other income from the Academy Trust's educational operations	120	2,749	2,868	2,629
Total	120	72,996	73,116	66,008
Year to 31 August 2022	—	66,008	66,008	

Orchard Hill College Academy Trust
Notes to the Financial Statements for the year ended 31 August 2023
(continued)

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Hire of facilities	116	—	116	69
Other income	115	—	115	150
Total	231	—	231	219
Year to 31 August 2022	219	—	219	

5 Investment income

	Unrestricted funds	
	2023 £000	2022 £000
Interest on short term deposits	352	25
	352	25

6 Expenditure

	Staff Costs (note 8) £000	Non-pay Premises £000	Expenditure Other £000	Total 2023 £000	Total 2022 £000
Academy's educational operations:					
Direct costs	47,317	—	5,177	52,494	46,377
Allocated support costs (note 7)	11,310	9,018	3,105	23,433	29,838
	58,627	9,018	8,282	75,927	76,215

	Total 2023 £000	Total 2022 £000
Net income / (expenditure) for the year includes:		
Operating lease rentals	326	325
Loss on disposal of fixed assets	1,292	3,605
Depreciation (note 12)	2,984	2,525
Fees payable to auditor for:		
audit	45	32
other services	—	5

Orchard Hill College Academy Trust
Notes to the Financial Statements for the year ended 31 August 2023
(continued)

7 Charitable activities

	Total 2023 £000	Total 2022 £000
Direct costs – educational operations	52,494	46,377
Support costs – educational operations	23,433	29,838
Total	75,927	76,215
Analysis of support costs		
Support staff costs	11,310	17,066
Depreciation	2,984	2,525
Loss on disposal of fixed assets	1,292	3,605
Technology costs	1,178	854
Premises costs	4,742	4,039
Legal costs	160	167
Other support costs	1,062	930
Governance costs	705	652
Total	23,433	29,838

8 Staff

a) Staff costs

	Total 2023 £000	Total 2022 £000
Staff costs during the period were:		
Wages and salaries	38,405	35,998
Social security costs	4,060	3,598
Pension costs	8,033	12,528
	50,498	52,124
Supply staff costs	7,988	6,301
Severance payments	138	65
Redundancy payments	3	—
Total	58,627	58,490

b) Severance payments

The academy trust paid 8 severance payments in the year (2022:10 payments), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	6	10
£25,001 - £50,000	2	2

c) Non statutory/non-contractual staff severance payments

Included in severance payments are non-contractual payments totalling £66,500 (2022: £68,000). Individually, the payments were: £3,500, £5,000, £5,000, £7,000, £8,000, £10,000, £12,000 and £16,000.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

8 Staff costs (continued)

d) Staff numbers

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

	2023 No.	2022 No.
Teachers	316	300
Administration and support staff	878	889
Management	72	72
	1,266	1,261

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

	2023 No.	2022 No.
Teachers	297	284
Administration and support staff	674	671
Management	70	70
	1,041	1,025

e) Higher paid staff

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

	2023 No.	2022 No.
£60,001 - £70,000	37	28
£70,001 - £80,000	21	18
£80,001 - £90,000	6	6
£90,001 - £100,000	5	3
£100,001 - £110,000	3	3
£110,001 - £120,000	2	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	—
£160,001 - £170,000	—	1
£170,001 - £180,000	1	—
	77	61

f) 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 2022 to 31 August 2023 was £854,000 (2022: £787,000).

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 2023

(continued)

9 Central services

The Academy Trust has provided the following central services to its academies for the year to 31 August 2023:

- 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:

	2023 £000	2022 £000
Carew Academy	621	573
The PRIDE Academy	301	278
The Skills Hub	233	269
Bedelsford School	545	500
Dysart School	513	417
St Philips School	504	416
Nightingale Community Academy	402	350
The Link School	526	446
Brantridge School	355	224
Grafham Grange School	287	246
St Dominic's School	728	565
Arbour Vale School	808	755
Unified Academy	225	230
Addington Valley Academy	509	297
Total	6,557	5,566

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

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: £170,001 - £175,000 (2022: £165,000 - £170,000)

Employer's pension contributions paid: £40,000 - £45,000 (2022: £35,000 - £40,000)

During the year ended 31 August 2023, no travel and subsistence expenses were reimbursed to the Trustees (2022: £90 to one Trustee). Other Related party transactions involving the trustees are set out in Note 21.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2023 was £36,000 (2022: £39,000). 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 2022	20,351	90,838	6,369	5,638	2,348	100	384	126,028
Donated assets	—	7,040	—	—	—	—	—	7,040
Additions	—	—	3,012	350	1,389	187	98	5,036
Disposals	—	(975)	(345)	—	—	—	—	(1,320)
At 31 August 2023	20,351	96,903	9,036	5,988	3,737	287	482	136,784
Depreciation								
At 1 September 2022	1,270	3,171	840	2,401	1,526	64	341	9,613
Charged in year	209	720	812	620	562	33	28	2,984
Disposals	—	(18)	(9)	—	—	—	—	(27)
At 31 August 2023	1,479	3,873	1,643	3,021	2,088	97	369	12,570
Net book value								
At 31 August 2023	18,872	93,030	7,393	2,967	1,649	190	113	124,214
At 31 August 2022	19,081	87,667	5,529	3,237	822	36	43	116,415

The Skills Hub moved to a new building in January 2023. This has been valued at £7.04m by professional surveyors at fair value with reference to depreciated replacement cost. Disposals include the removal of the old building and associated improvements from the balance sheet. A loss of £1.3m has arisen from this disposal.

13 Debtors

	2023	2022
	£000	£000
Trade debtors	4,111	512
VAT recoverable	932	846
Other debtors	660	6
Prepayments and accrued income	2,508	2,479
	8,211	3,843

Orchard Hill College Academy Trust
Notes to the Financial Statements for the year ended 31 August 2023
(continued)

14a Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	887	1,460
Taxation and social security	1,923	1,706
Other creditors	167	876
Accruals	6,918	4,553
Deferred income (see below)	4,750	3,094
	14,645	11,689

	2023	2022
	£000	£000
Deferred income		
Deferred income at 1 September	3,094	1,663
Released from previous years	(3,094)	(1,663)
Resources deferred in the year	4,444	3,094
	4,444	3,094

At the balance sheet date the Trust was holding funds received in advance for local authority top-up and capital grants of £1.8m. Included in other creditors are Salix loans of £15k (2022: £12k) which are provided interest free.

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

	2023	2022
	£000	£000
Other creditors	40	53

Included in other creditors are Salix loans of £55k (2022: £65k), interest free loans provided as part of the condition improvement funding received. The loans will be repaid as follows:

	2023	2022
	£000	£000
Amounts due within one year	15	12
Amounts due between one and five years	34	41
Amounts after more than five years	6	12
	55	65

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

15 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	10,028	18,925	(16,889)	(2,870)	9,194
UIFSM	—	64	(64)	—	—
Pupil Premium	—	935	(935)	—	—
PE and Sports grant	—	167	(167)	—	—
Teachers pay and pension grants	—	1,361	(1,361)	—	—
Student support	—	15	(15)	—	—
Catch-up and recovery premium	83	509	(592)	—	—
Transferred to MAT on conversion	438	—	(438)	—	—
Start Up Grant - PDG	260	—	(215)	—	45
Other grants	—	48,272	(48,272)	—	—
Other income	—	2,748	(2,748)	—	—
Pension reserve	(11,435)	—	45	6,063	(5,327)
	(626)	72,996	(71,651)	3,193	3,912
Restricted fixed asset funds					
Transferred on conversion/donated	106,752	7,040	(1,292)	—	112,500
DfE/ESFA capital grants	3,995	2,165	(2,984)	—	3,176
Capital expenditure from GAG	4,689	—	—	2,870	7,559
Other capital funding	979	—	—	—	979
	116,415	9,205	(4,276)	2,870	124,214
Total restricted funds	115,789	82,201	(75,927)	6,063	128,126
Unrestricted funds					
Transferred to MAT on conversion	2,769	—	—	—	2,769
Unrestricted funds	1,031	787	—	—	1,818
Total unrestricted funds	3,800	787	—	—	4,587
Total funds	119,589	82,988	(75,927)	6,063	132,713

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 2023. £2,870k was transferred to restricted funds for the purchase of Fixed Assets (2022: £2,054k).

Start-up funds:

In year no further start-up funds were received (2022: £160k) in relation to the new free schools and academy conversion for use in set-up and Shared Services. Start-up grants of £260k were brought forward from 2021-22. The balance at the year-end will be utilised to continue to progress the Carew free school in the next financial year.

Unrestricted funds:

The Trust earned net income of £787k (2022: £199k) 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 £9.2m and comprised of:

- Condition Improvement Funding (CIF) grants and School Condition Allocation (SCA) grants (£2.2m) covering a range of works including safeguarding, roof replacement, boilers and heating, water safety, fire safety, window and doors.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

15 Funds (continued)

- The Skills Hub at valuation £7.04m (note 12).

£2,870k was transferred from restricted funds to support capital purchases.

Other restricted funds:

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

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

	Balance at 1 September 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 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	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

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

15 Funds (continued)

Total fund analysis by academy

Fund balances at 31 August 2023 were allocated as follows:	2023 £000	2022 £000
Carew Academy	1,243	1,063
The PRIDE Academy	320	409
The Skills Hub	723	859
Bedelsford School	1,653	2,120
Dysart School	705	721
St Philips School	1,428	1,536
Nightingale Community Academy	307	458
The Link School	1,879	2,265
Brantridge School	424	354
Grafham Grange School	568	917
St Dominic's School	1,547	1,791
Arbour Vale School	1,321	1,382
Unified Academy (previously Chart Wood School)	19	47
Addington Valley Academy	1,134	302
Central Services	555	385
Total before fixed assets and pension reserve	13,826	14,609
Restricted fixed asset fund	124,214	116,415
Pension reserve	(5,327)	(11,435)
Total	132,713	119,589

Total cost analysis by academy

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

	Teaching & Education Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other costs (excluding Depreciation) £000	Total 2023 £000	Total 2022 £000
Carew Academy	4,578	700	355	345	5,978	5,880
The PRIDE Academy	1,407	388	361	335	2,491	2,408
The Skills Hub	1,381	473	203	293	2,350	2,051
Bedelsford School	3,512	717	321	379	4,929	4,494
Dysart School	3,239	1,604	338	374	5,555	4,776
St Philips School	2,593	1,066	233	412	4,304	3,815
Nightingale Community Academy	2,582	1,179	360	421	4,542	4,075
The Link School	3,277	1,485	287	416	5,465	4,297
Brantridge School	1,372	709	299	283	2,663	2,167
Grafham Grange School	1,296	618	365	482	2,761	2,375
St Dominic's School	3,079	1,592	566	589	5,826	5,272
Arbour Vale School	6,859	1,390	349	1,007	9,605	8,853
Unified Academy	1,263	313	338	283	2,197	2,374
Addington Valley Academy	2,178	1,078	346	229	3,831	2,524
Central Services	—	6,747	45	2,407	9,199	8,251
	38,616	20,059	4,766	8,255	71,696	63,612
Pension service cost					396	5,719
Pension finance cost					(441)	766
Depreciation and loss on disposal					4,276	6,118
Total cost					75,927	76,215

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	—	—	124,214	124,214
Current assets	4,587	23,924	—	28,511
Current liabilities	—	(14,645)	—	(14,645)
Non-current liabilities	—	(40)	—	(40)
Pension scheme liability	—	(5,327)	—	(5,327)
Total net assets	4,587	3,912	124,214	132,713

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	—	—	116,415	116,415
Current assets	3,800	22,563	—	26,363
Current liabilities	—	(11,689)	—	(11,689)
Non-current liabilities	—	(65)	—	(65)
Pension scheme liability	—	(11,435)	—	(11,435)
Total net assets	3,800	(626)	116,415	119,589

17 Capital Commitments

	2023 £000	2022 £000
Contracted for, but not provided in the financial statements	246	1,276

18 Commitments under operating leases

At 31 August 2023 the total of the future minimum lease payments under non-cancellable operating leases was:

	2023 £000	2022 £000
Amounts due within one year	421	326
Amounts due between one and five years	234	328
	655	654

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 latest available valuation of the site is £28.2m. The total of the future repayments 31 August 2023 was:

	2023 £000	2022 £000
Amounts due within one year	732	715
Amounts due between one and five years	3,111	3,038
Amounts after more than five years	5,268	6,075
	9,111	9,828

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

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.

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. Prior to 31 August 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

Contributions amounting to £876,000 were payable to the schemes at 31 August 2023 (2022: £790,000) 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 actuarial valuation of the TPS which applied during the year ended 31 August 2023 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);

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pensions Scheme (continued)

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.6% (including a 0.08% administration levy). 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 £3,806,000 (2022: £3,589,000).

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 2023 was £5,672,000 (2022: £4,745,000), of which employer's contributions totalled £4,393,000 (2022: £3,589,000) and employees' contributions totalled £1,279,000 (2022: £1,156,000).

The agreed school 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)	19.2%	£82,500 over 3 years to Mar-26	5.5% - 12.5%
The Skills Hub (LBH)	19.2%	£82,500 over 3 years to Mar-26	5.5% - 12.5%
Dysart School (RBK)	18.6%	£70,500 in the year to Mar-24	5.5% - 12.5%
St Philip's School (RBK)	18.6%	£183,300 in the year to Mar-24	5.5% - 12.5%
Bedelsford School (RBK)	18.6%	£169,200 in the year to Mar-24	5.5% - 12.5%
Nightingale Community Academy	21%	-	5.5% - 12.5%
The Link School (LBS)	19%	-	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	22.6%	-	5.5% - 12.5%
Unified Academy	17.8%	-	5.5% - 12.5%
Addington Valley Academy	19%	-	5.5% - 12.5%
Central services (LBS)	19%	£345,000 over 3 years to Mar-26	5.5% - 12.5%

*As part of a migration towards the LPFA fund, these schools' rates have been agreed on an interim basis. 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 2023	At 31 August 2022
Rate of increase in salaries	3.85%	3.85%
Rate of increase for pensions in payment/inflation	2.85%	2.85%
Discount rate for scheme liabilities	5.25%	4.25%
Inflation assumption (CPI)	2.85%	2.85%

Commutation and all other demographic assumptions are consistent with those used in the statutory valuations of the relevant LGPS funds

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

20 Pension and similar obligations (continued)

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 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.7	21.4
Females	24.4	23.9
<i>Retiring in 20 years</i>		
Males	22.5	22.6
Females	25.7	25.4

Sensitivity analysis

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

	2023 £000	2022 £000
Discount rate +0.1%	(1,108)	(1,263)
Discount rate -0.1%	1,137	1,299
Mortality assumption – 1 year increase	1,156	1,261
Mortality assumption – 1 year decrease	(1,051)	(1,139)
CPI rate +0.1%	1,163	1,187
CPI rate -0.1%	(1,134)	(1,157)

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

	2023 £000	2022 £000
Equities	28,742	24,024
Gilts	2,521	1,524
Corporate bonds	8,415	5,468
Property	4,375	4,455
Cash and other liquid assets	1,196	740
Other	6,276	7,275
Total market value of assets	51,525	43,486
Defined benefit obligation	(54,537)	(54,921)
Effect of asset ceiling (recognised within actuarial gains)	(2,315)	—
Net pension liability	(5,327)	(11,435)

The actual return on scheme assets was a surplus of £1,179k (2022: a deficit of £3,536k).

Amount recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost (net of employer contributions)	3,752	9,197
Interest income	(1,952)	(773)
Interest cost	2,348	1,540
Administration expenses	200	111
Total amount recognised in the SOFA	4,348	10,075

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

20 Pension and similar obligations (continued)

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

	2023 £000	2022 £000
At 1 September	54,921	87,715
Current service cost	3,752	9,197
Interest cost	2,348	1,540
Employee contributions	1,279	1,156
Actuarial gain	(7,199)	(44,164)
Benefits paid net of transfers in	(564)	(523)
At 31 August	54,537	54,921

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

	2023 £000	2022 £000
At 1 September	43,486	42,137
Interest income	1,952	773
Return on plan assets (excluding net interest on the net defined pension liability)	1,179	(3,535)
Employer contributions	4,393	3,589
Employee contributions	1,279	1,156
Benefits paid	(564)	(524)
Administration expenses	(200)	(110)
At 31 August	51,525	43,486

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

Under the service level agreements for learning support services, the Trust incurred £2,054 (2022: £310,912). The services provided in 2022 included a Family Liaison Officer, coordination of apprenticeships, digital learning support and consultancy.

Services were provided 'at cost' during the period. In entering into the original transaction the trust has complied with the requirements of ESFA's Academy Trust Handbook.

Support services have been provided at cost and have been assessed where possible, against similar services available externally at current market value. The Trust considers the service level agreements to offer value for money both in terms of pricing and in terms of the bespoke services offered, however the breadth and depth of support will be reviewed in the next financial period to ensure sufficiency and affordability. In all service areas the Academy Trust has a wider range of skills available, greater capacity and more flexibility.

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

21 Related Party Transactions (continued)

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 £3,900 (2022: £11,200) during the period. There were no outstanding amounts at 31 August 2023 (2022: £nil). Services were provided 'at cost' during the period. A pro-forma statement of assurance has been completed and signed.

West Sussex Council – Mr J Mercer (Trustee and Member of OHCAT) is a local councillor at West Sussex Council. During the year ending 31 August 2023, OHCAT purchased safeguarding and assessment training from West Sussex Council for a value of £363 (2022: £306). There were no outstanding amounts at 31 August 2023 (2022: £nil).

Cygnnet IT CIC – Mr R Mills (Member of OHCAT) is a non-executive Director of Cygnnet IT CIC. During the year, OHCAT purchased Management Information support services from Cygnnet IT CIC, totalling £39,500 (2022: £41,590). There were no outstanding amounts at 31 August 2023 (2022: £nil).

Greenshaw Learning Trust – Mr R Mills (Member of OHCAT) is also a Trustee of Greenshaw Learning Trust. During the year, OHCAT purchased catering services from their trading subsidiary, Greenshaw Learning Services Ltd for £40,092 (2022: £34,744). There were no outstanding amounts at 31 August 2023 (2022: £nil).

In entering into all of these transactions, the Trust has complied with the requirements of ESFA's Academy Trust Handbook.

Income Related Party Transaction

West Sussex Council – Mr J Mercer (Trustee and Member of OHCAT) is a local councillor at West Sussex Council. During the year ending 31 August 2023, OHCAT received income for pupil top up fees from West Sussex Council for a value of £2,102,462 (2022: £1,503,189). £591,851 was outstanding at 31 August 2023 (2022: £50,712).

During the year, the Academy Trust received income of £2,513,271 (2022: £2,278,472) under service level agreements with the Sponsor (Orchard Hill College). This included recharges of leadership and support staffing costs, IT support, MIS, marketing services, finance, governance, training, safeguarding, legal, procurement and occupational health services.

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

- Nightingale Community Academy received £86,000 (2022: £107,950) 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 £11,185 (2022: £11,338) 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 £1,332,417 due from Orchard Hill College at 31 August 2023 (2022: £86,369).

The amount due to OHC from the Academy Trust as at 31 August 2023 was £199,612 (2022: £309,892).

Orchard Hill College Academy Trust

Notes to the Financial Statements for the year ended 31 August 2023

(continued)

22 New schools

There have been no academy conversions during the year. The Skills Hub moved to its new free school site in January 2023 and the building has been recognised at its valuation of £7.04m. This amount is included within 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 long leasehold land and buildings and associated leasehold improvements of £1.3m disclosed at note 12 relate to the write off of the old Skills Hub building from the balance sheet.

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 replaced the provision at Young People's Academy, moved in to its new building in April 2022 and the new free school building constructed and donated by the ESFA was recognised in the 2021/22 financial statements at its valuation at the date of transfer of £10.6m.

23 Events after the balance sheet date

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 2023
(continued)

24 Comparative information

Statement of Financial Activities for the year to 31 August 2022

	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.