

## Orchard Hill College

### Annual Report and Financial Statements

31 July 2024

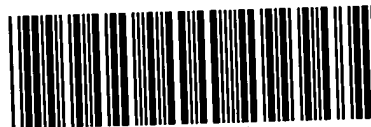
Charity Registration Number

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Company Registration Number

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## Reference and administrative information 31 July 2024

<b>Members</b>	John Brown Darren Coghlan Roger Mills
<b>Trustees/Directors</b>	Peter Lauener (Chair) Rama Venchard (Vice Chair) John Prior (CEO) Simon Fryer Angela O'Hara (Vice Chair, appointed 01.09.23) Christian Jennings (resigned 04.03.2024) David Dangana (appointed 01.09.23) Tim Borrie (appointed 01.09.23) Douglas Glenday (appointed 01.09.2024) Kim Caplin (appointed 01.09.2024)
<b>Principal office</b>	Copthall House 9 The Pavement Grove Road Sutton Surrey SM1 1DA
<b>Telephone</b>	0345 402 0453
<b>Website</b>	<a href="http://www.orchardhill.ac.uk">www.orchardhill.ac.uk</a>
<b>Executive Senior Leadership Team</b>	
CEO	John Prior
Chief Finance Officer	Corrina Jenkins
Chief Operating Officer	Lloyd Hankin (appointed 05.02.2024)
Deputy CEO	Laurie Cornwell
Principal	Kelly Phillips
Executive Director of Development	Lynn Barratt
Executive Director of Quality & Standards	Julia James (appointed 01.09.23)

## Reference and administrative information 31 July 2024

<b>External Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Internal Auditor</b>	TIAA Ltd (until 09.09.24) Artillery House Fort Fareham Newgate Lane Fareham PO14 1AH  MHA (appointed 01.12.24) 2 London Wall Barbican London EC2Y 5AU
<b>Bankers</b>	Lloyds Bank Plc 49/53 High Street Sutton Surrey SM1 1DT
<b>Solicitors</b>	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

## **Trustees' report (including Strategic Report) 31 July 2024**

The Trustees present their statutory report together with the financial statements of Orchard Hill College ('OHC' or 'the College') for the year ended 31 July 2024.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 32 and comply with 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 United Kingdom and Republic of Ireland (FRS 102).

It should be noted that the Directors of Orchard Hill College are the Trustees and as such both terms are used interchangeably throughout this report.

### **OBJECTIVES AND ACTIVITIES**

Orchard Hill College is an outstanding specialist college committed to offering social and vocational opportunities for students in the heart of their communities. Our vision statement is "Building Futures, Changing Lives" and this commitment informs everything we do.

Our provision is open to students over the age of 16 with a wide range of additional needs. All students are individual, and each programme is as unique as they are. Operating out of nine main centres and additional satellite provision across London and Surrey, our programmes are designed to support and empower each student to achieve their aspirations and goals, whilst developing skills to prepare them for adulthood. Alongside this, we work closely with families, local authorities, community stakeholders and other external partners in order to broker strong community partnerships that will support our students to build meaningful and fulfilling lives.

As a charity, our objects are to advance education, training, vocational and occupational opportunities for the benefit of the public in the following ways:

- ◆ promoting and widening participation in education, training, vocational and occupational opportunities, particularly for students with complex/profound/severe learning difficulties and/or disabilities and those who have been previously excluded from such opportunities and supporting practitioners who work with such students;
- ◆ improving the quality of education, training, work placements and employment prospects, particularly for students with complex/profound/severe learning difficulties and/or disabilities and those who have not previously been equitably represented in such opportunities and supporting practitioners who work with such students;
- ◆ recognising progress in all forms: promoting and improving access to education, training, work and employment opportunities, through the development and promotion of resources, provision, organisations and systems; and
- ◆ any other activity in its own work or work with others not covered by the above which, in the view of the Trustees, directly enhances the charity's activities and objectives.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Public benefit**

In formulating the College's aims and in planning its activities, the Trustees confirm that they have had due regard to the general guidance published by the Charity Commission on public benefit.

Orchard Hill College is an outstanding college and continues to be so. The College provides exceptional opportunities for learning and meeting the needs and aspirations of its students. OHC works closely with its many communities and commissioners, including 27 local authorities, to ensure that it is always responsive to increased student demand which is growing year on year. Specialist centres are sited in Camberwell, Kingston, Wandsworth, Carshalton, Sutton and Hillingdon.

OHC is an Independent Specialist College listed in Section 41 of the Children and Families Act 2014 and also delivers work-related training through a GLA (AEB) funding grant as well as apprenticeship delivery. The College delivers the highly regarded Diploma in Education & Training (SEND pathway), validated by Canterbury Christchurch College University. The College is listed on the Apprenticeship Provider and Assessment Register.

### **Student performance and achievements**

Across all courses and centres, the quality of education students receive continues to be outstanding. Typically, 82% of teaching was at least Good or better during 2023-24. The overall effectiveness of teaching is quality assured using the Teacher Evaluation Schedule (TES). OHC students help to design their programmes to achieve their aspirations and goals, whilst developing their skills and talents to become more independent in their lives in the future. The College is a busy, diverse and vibrant place to work and study, with a high focus on vocational programmes together with being part of the local communities it serves.

The College continues to hold Matrix Standard accreditation which affirms the many areas of outstanding practice, particularly in relation to careers education, information, advice and guidance (CEIAG).

The majority of students attend a full-time course. There are two types of course offerings:

- ◆ Foundation Skills for Life, a specialist post-19 programme for students with complex, profound, and severe learning difficulties and/or disabilities, and;
- ◆ Skills for Work and Living, for students with an aspiration or identified outcome in employment.

Both courses have four study programmes which are related to Preparation for Adulthood outcomes (employment, independent living, good health and friends and relationships in the community) and lead to individualised destinations in work, living and the community. The College also offers a range of work-related learning courses. The WorkStart programme suite comprises Supported Internships, Traineeships, inclusive Apprenticeships, Project Search, Pathway to Employment and Preparation for Employment. These programmes provide opportunities for students to gain relevant employability qualifications and work experience and to define their working ambitions for the future. They also give students, where appropriate, the opportunity to work towards achieving Functional Skills qualifications in English and maths. The courses are open to students who have experienced barriers to learning, including young people who are not in education, employment or training (NEET) as well as students with a learning difficulty or disability. A significant cohort of the students also have complex behaviours of concerns aligned to their disabilities.

## **ACHIEVEMENTS AND PERFORMANCE (continued)**

OHC is the education provider for the Project Search initiative in Hillingdon (working with the Local Authority and Hillingdon Autistic Care and Support), Sutton (working with the Local Authority and Sutton and St Helier Hospital) and Lambeth (working with the Local Authority and Unity Works). Project Search is a partnership project delivering one-year supported internships with the aim of securing paid employment for participants.

Overall student numbers increased from 408 in 2022-23 to 476 in 2023-24. Overall retention was 97.4%, a small decrease from 98.5% in 2022-23.

281 students were enrolled on the Foundation Skills for Life and Skills for Work and Living courses, a marginal increase on the previous year's figure of 279. All achieved an outcome relevant to their individual EHCP ranging from employment, independent living, good health and friends and relationships in the community. In line with the College's ongoing commitment to meet demand within local communities, OHC's ninth centre, Old Town Hall in Wallington, opened in September 2023, accommodating up to 32 students across all pathways.

120 students were enrolled on Workstart programmes, either on a full- or part-time basis. Of the 25 full time students who completed their programmes in 2023-24, 92% progressed to employment and 8% progressed to adult community programmes.

### **Other performance and achievements**

The College has effective links with over 80 employers and community-based programmes; these provide outstanding progression into local supported living schemes, supported employment, internships and volunteering and Further Education and Adult Community programmes, as well as enhancing students' educational and pastoral experience during their time with us.

The College offers apprenticeship programmes in Customer Service and Supporting Teaching and Learning and specialises in inclusive apprenticeships. The apprenticeship programme was inspected by Ofsted for the first time in November 2019 and was judged as Good. Our robust internal assessment, that includes the judicious use of Ofsted-trained external verifiers, evidences that the programme continues to be Good. Apprentices continue to make good progress and take on more responsibilities in the workplace. Of the 6 apprentices due to complete in the 2023/24 funding year, 5 completed and 1 withdrew, giving an achievement rate of 83%. Two of the five completed apprenticeships achieved a distinction grade.

The College continues to run the Duke of Edinburgh Award Scheme and in 2023-24 became the first provider to successfully support students with SEND in completing the residential section of their Gold Awards. Following a successful pilot of an accessibility project, in 2023-24 OHC extended opportunities for students with more complex medical and behavioural needs to attend residential trips, including a first overseas trip to France. Residential trips offer students the opportunity to try new things, build friendships and resilience, further develop their independence and participate in activities that support mental stimulation and physical wellbeing. These activities form part of a comprehensive extended curriculum offer, which also includes holiday programmes, term time enrichment activities and the Prince's Trust scheme, as well as the College's inclusive monthly club night, Club House, which was established during the period under discussion.

The College estate is varied and geographically dispersed, and effective management is a key priority. During 2023-24 a comprehensive Estates Strategy was developed and implemented.

## ACHIEVEMENTS AND PERFORMANCE (continued)

This included recruitment to several key estates and facilities roles; suitability surveys conducted on two centres (Lomond House and Park View), which have supported ongoing discussions with London Borough of Southwark regarding identification of a suitable replacement site for Lomond House; preparation of Asset Management Plans to support ongoing planning in relation to the management of our estate; and the commissioning of Net Capacity Surveys which took place during the summer break, alongside a rolling programme of condition and suitability improvement projects. The Estates Strategy will continue to be rolled out during 2024-25 and beyond, to ensure OHC students can continue to access high quality learning opportunities in a safe and welcoming environment.

Safeguarding across the College continues to be outstanding, underpinned by a robust set of policies, procedures and training for all staff, which are informed by the SEND-specialist knowledge of OHC leaders and practitioners. All staff receive training as part of their annual safeguarding update as well as bespoke training and refreshers throughout the year. The College Designated Safeguarding Lead (DSL) oversees a team of Safeguarding and Mental Health Leads across the College who provide appropriate interventions and support as well as supporting the development of OHC's student safeguarding ambassadors. All DSLs and SLT receive external clinical supervision, allowing for more ethical and objective interventions.

The DSL works closely with OHC&AT's Director of Safeguarding & Wellbeing and participates in the cross-organisational DSLs' network alongside OHCAT DSLs. This has continued to be a rich source of knowledge exchange and resource sharing throughout 2023-24, enabling a consistent and evidence-led response to current safeguarding issues, as well as greater triangulation of compliance requirements. Through delivery of a bespoke curriculum including relationships, sex and health education, e-safety and British values, students learn how to safeguard themselves and how to apply this knowledge in a variety of settings, particularly focusing on contextual safeguarding in their local communities.

The College continues its journey to become Trauma and Mental Health informed. In line with the College's commitment to improving student support and wellbeing, OHC behavioural and pastoral leads have collaborated closely with consultants in Positive Behaviour Support (PBS) and Trauma-Informed practices to create a bespoke framework tailored to the College's needs. Recognising the significant crossover between PBS and Trauma-Informed approaches, OHC merged both areas into a unique model that addresses students' behavioural and emotional needs holistically. OHC's work concluded in the presentation of this bespoke framework at national conferences including Natspec, and internationally at BILD's PBS Conference, where we shared our findings and the impact of the model on student outcomes. OHC also developed comprehensive training programmes and roll-out schedules for all College staff, including Central Teams, ensuring the framework was embedded across all levels of the organisation. This training has fostered a greater understanding of trauma and mental health, equipping staff with the skills to provide proactive, compassionate support and improve overall student wellbeing.

OHC has 50 trained Mental Health First Aiders within the staff team, who augment this team approach through their work with staff and students. Internally a supervision structure is in place to support staff working with specific student groups, such as the PMLD cohort, or students who display behaviours of concern. Staff feedback on these sessions is overwhelmingly positive with staff commenting *"It felt safe to talk openly in a specific and confidential space"* and *"The meetings have given me time to reflect on my own practice and understand where I need to upskill and further progress in the level I teach."*



## **ACHIEVEMENTS AND PERFORMANCE (continued)**

The Senior Mental Health Lead providing these internal sessions is a qualified therapist and will complete an accredited supervision course in 2024-25 to continue to develop this practice and ensure staff are appropriately supported to work with students with varied needs.

Other notable achievements this year included a whole organisational move to cloud-based working, improving information security and enabling more agile co-working across multiple sites and teams. Migration of data from College data centres to the cloud, a full IT equipment refresh and comprehensive training and support for all staff was planned and implemented across the year.

OHC formed a new partnership with the Legacy Youth Project in Croydon, which has significantly enhanced the College's vocational curriculum offer. This collaboration has enabled the College to introduce a broader range of courses, including podcasting and radio broadcasting, customer services, and fitness and gym instructor training, providing students with more diverse and practical career pathways. The College also continued to run parent/carers workshops on relevant subjects including trauma-informed practice, legal processes and procedures relating to vulnerable people, and financial support. These workshops were supported by a full range of professionals from supported housing and employment, specialist disability organisations and local community schemes, providing opportunities for extending life and learning skills.

OHC has a comprehensive and highly effectively Continuing Professional Development (CPD) programme in place to ensure that staff receive high quality training and development pertinent to their job role and to support succession planning. New starters undertake a rigorous two-week induction covering key compliance areas such as safeguarding, Positive Behaviour Support (PBS) and Team Teach, manual handling and therapeutic approaches to underpin curriculum delivery, which must be completed before they are cleared to work with students. All staff undertake regular training and refreshers on these subjects thereafter, as well as a range of specialist CPD focused on best practice within SEND. As a result, the quality of education students receive at Orchard Hill College is typically outstanding. Across the College and on all courses, during 2023-24 82% of teaching was never less than good and outstanding over time. Where teaching is less than good, lecturers benefit from a bespoke coaching and mentoring support package which includes peer, leadership and multidisciplinary interventions. This strategy ensures staff have every opportunity to improve their practice further in order to ensure the best outcomes for students.

Alongside regular INSET days, OHC runs a full Training Week in October half term and an annual Development Planning Day for all staff. OHC Training Week took place on 16-20 October 2023, with staff accessing individualised training programmes spanning compliance matters and specialism focused content. Development Planning Day was held at Kingston University on 26 April 2024, with a keynote from an external speaker on confidence-building and self-advocacy alongside OHC and wider Trust updates, strategic discussions and team building exercises.

The College delivers the Diploma in Education & Training (DET) SEND specialist pathway, validated by Canterbury Christ Church University (CCCU), which offers staff a route into qualified Further Education (FE) teaching and a clear career progression pathway within the organisation. During 2023-24, 10 new trainees joined in Year 1, including 2 external candidates alongside 5 OHC and 3 Trust staff, and all 13 existing trainees progressed to Year 2 of the course. In addition, 7 DET trainees from other partner colleges took up the specialist pathway, enabling OHC to further disseminate SEND best practice to organisations including South Thames College, Meadowfield School and Nido Volans Lambeth.

## **ACHIEVEMENTS AND PERFORMANCE (continued)**

OHC continues to work closely with CCCU in a wider partnership capacity, including the revalidation during 2023-24 of the DET programme in line with the revised qualification framework launched by the Education & Training Foundation (ETF). The revised qualification will launch from September 2024 as the Certificate in Education (Further Education & Skills).

OHC offers Level 1 and 2 Functional Skills in maths and English for all staff members who do not yet hold such qualifications. During 2023-24, the College delivered Level 1 and 2 Functional Skills English and maths courses to staff from OHC and OHCAT. Leaders and managers have an individualised CPD programme, including relevant higher level leadership qualifications. Two members of the College Senior Leadership Team have completed Level 7 leadership qualifications with distinction.

The Principal and SLT continue to make a regional and national contribution to government and advisory groups, influencing policy for the benefit of all students and the wider community. The College Principal is the Director for the London Region of Natspec and a representative for SEND on the Association of Colleges (AoC) regional committee. The College Senior Leadership Team are regularly asked to speak regularly at regional and national conferences and employer events.

During 2023-24, members of the College SLT were represented on national, regional and local bodies including:

- ◆ The PBS Alliance National Steering group and Schools and Colleges Community of Practice
- ◆ AoC's Prevent Pilot Board, AoC's sports inclusion hub and the Sutton Local Safeguarding Board.
- ◆ South and West London Careers Hubs
- ◆ Prevent Forum for London
- ◆ Learning Disability network, Schools and College Network for therapy disciplines
- ◆ South London Lead Speech & Language Therapy (SALT), Occupational Therapy (OT), Physical Therapy (PT), Cognitive Analytic Therapy (CAT) specialist groups
- ◆ South London National Back Exchange forum
- ◆ Health Education Network for Co-Production (HENCop)
- ◆ SEND employment forums
- ◆ Supported internship forums
- ◆ Governors of SEND schools

The wider OHC&AT team also includes current and former badged Ofsted inspectors for both schools and further education.

Orchard Hill College sponsors Orchard Hill College Academy Trust, which supports the development and delivery of high-quality educational provision for school-age children and young people with SEND. The symbiotic relationship between College and Trust promotes collaborative working and enables the exchange of best practice and specialist knowledge which enriches and strengthens the student and staff experience on both sides, as well as smoothing transitions for students moving from school to college.

## **FINANCIAL REVIEW**

### **Results for the year**

A summary of the results for the year can be found on page 25 of the financial statements.

Income for the year totalled £19,334,000 (2023: £17,374,000). The major part of this income is in relation to core grants from the Education and Skills Funding Agency (ESFA) of £5,761,000 (2023: £5,651,000), and funding from Local Authorities for educational contracts of £12,898,000 (2023: £11,259,000).

Expenditure for the year, which principally related to the provision of education, totalled £19,090,000 (2023: £18,493,000).

The net surplus for the year ended 31 July 2024 as shown on the statement of financial activities was £244,000 (2023: net loss of £1,119,000). Excluding the pension current service cost and interest cost adjustments in relation to the Local Government Pension Scheme (LGPS) required by FRS 102 of £145,000 credit (2023: £672,000 debit), the net position would be a surplus of £99,000 (2023: deficit of £447,000).

### **Financial position and reserves policy**

As at 31 July 2024, the balance sheet included net assets totalling £8,026,000 (2023: net assets of £6,478,000). This is comprised of:

- ◆ The Tangible Fixed Assets fund of £4,690,000 (2023: £3,981,000). This fund represents the net book value of the College's tangible fixed assets net of any associated lease obligations and has been separated on the balance sheet in recognition of the fact that these assets are essential to the day-to-day operation of the College, and the value of the assets can therefore not be considered as realisable.
- ◆ The Pension Reserve fund of £1,038,000 deficit (2023: £2,433,000 deficit). This fund reflects the College's share of the net liability in respect of the Local Government Pension Scheme. This fund has been separated on the College's balance sheet in order to distinguish the liability from the operational liabilities which form part of the College's working capital.
- ◆ The Unrestricted General fund of £4,370,000 (2023: £4,909,000) are funds which are not represented by the tangible fixed assets fund, the pension reserve fund, restricted, or otherwise designated, and are in effect the College's free reserves which are immediately available for general charitable use.
- ◆ Restricted funds of £4,000 (2023: £21,000) representing ESFA funding carried forward.

Maintaining an appropriate level of financial reserves is considered essential in protecting the charity from financial risk generated by, for example:

- ◆ Income reduction due to Government funding changes;
- ◆ Unexpected falls in student numbers;
- ◆ Cash flow issues due to delays in receipt of funding; and
- ◆ Emergencies.

**FINANCIAL REVIEW** (continued)

**Financial position and reserves policy**

In general, it is considered prudent to maintain a level of usable reserves sufficient to cover unexpected and unplanned events so that the individual College's primary objective is preserved. At the same time, the College wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

The Board of Trustees monitors levels of reserves in financial reports provided by the Chief Finance Officer. Trustees look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves, Trustees take into account the following:

- ◆ One month's salary bill;
- ◆ The College's annual budget;
- ◆ The need for any large project spends such as facilities development or building condition needs; Any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the College funding and its expiry date; and
- ◆ Anticipated funding over the next three years. As a prudent measure, the College will aim for between 45 and 60 consecutive days of free reserves based on annual expenditure before depreciation and pension adjustments.

During the year, the College achieved free reserves of 85 days based on the unrestricted fund balance at 31 July 2024 of £4,370,000 (2023: 99 days totalling £4,909,000), and cash (including short-term deposits) of 119 days of £6,086,000 (2023: 137 days totalling £6,780,000). These cover the operational expenditure and the LGPS current service and interest costs. General reserves will support the next phase of investment in the College premises, including investment of £500,000 in new College centres in Sutton. Furthermore, £195,000 has been allocated for LGPS deficit repayments due between August 2024 and July 2026.

**Fundraising**

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

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

The College does not use commercial organisations to support its fundraising activities. There were no complaints concerning the College's fundraising activities during the year.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The College is an independent charitable company. Its primary governance document is the Articles of Association.

As a charity and company limited by guarantee, Orchard Hill College is governed by a Board of Directors (also referred to as Trustees) who are responsible for, and oversee, the management and administration of the College. The Trustees have overall responsibility and ultimate decision-making authority for all the work of the College. This is largely exercised through strategic planning and the setting of policy. It is managed through business planning, monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes.

The Trustees delegate certain responsibilities to the Executive Senior Leadership Team (ESLT) which includes the CEO, College Principal, Deputy CEO, the Chief Finance Officer, the Chief Operating Officer, the Executive Director of Development and the Executive Director of Quality & Standards. The services of ESLT (excluding the College Principal) are provided to the College by OHCAT as part of the core service charge service level agreement.

The College Board also delegated some governance responsibilities to a local College committee, whose responsibility was monitoring the College's performance, supporting the Principal and the Senior Leadership Team, and ensuring communication of the College's needs and priorities to the College board. The local committee focused on the College's specific context while aligning with the broader policies and strategies set by the Board. The College receives governance services from the OHCAT Governance team, led by the Head of Governance, an experienced Governance professional.

### **Organisational structure**

Orchard Hill College has three Members, to whom the Board of Trustees report via the AGM (see page 1 for details).

Orchard Hill College established and sponsored Orchard Hill College Academy Trust in 2013. The College and the Trust are independent legal entities that collaborate closely together, working for the benefit of students and pupils in local communities. Together they are known as Orchard Hill College and Academy Trust (OHC&AT).

This year the College Board actively recruited new members with a broad range of expertise, including finance, estates, audit and education, whilst also prioritising increasing diverse backgrounds and perspectives. This has enhanced the Board's ability to make well-rounded decisions and better reflect the community it serves by enhancing Trustee discussions on its joint Board and committees. The Board meets once a term and delegates specific responsibilities to a range of committees, which include finance and resources; audit and risk; quality, standards and safeguarding. This year the Board also established a People Committee focused on developing more positive and supportive work environments to enable employees to thrive and contribute effectively to OHC&AT's success.

All Trustees hold a specific portfolio holder role, which enables them to work closely with key senior staff, ensuring alignment with broader strategy and an in depth understanding of progress and outcomes. During 2023-24, internal audit focused on capital projects, business continuity, financial planning, monthly financial closedown and fundraising.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

Following a granular review of the governance structure and Trustees' skills and experiences, College Trustees decided to disband the local committee and instead hold a focussed whole College Board meeting once a term, starting in the new academic year. Trustees agreed this would give greater scrutiny, allowing more time to delve into College issues.

### **Connected organisations**

The College, as sponsor, can appoint up to two Trust sponsor members and up to one sponsor Trustee to Orchard Hill College Academy Trust board. The College and Academy Trust work closely together and are responsive to the requirements of each other. The aligned Executive Senior Leadership Team (ESLT) maintains a close working relationship with the College Senior Leadership Team. The Academy Trust provides operational support to the College in a number of areas including HR, Governance, Procurement, Finance and Facilities.

### **Trustees**

The Trustees (Directors) who served during the period and up to the date of approval of the report are included on page 1.

All new Trustees receive an induction on appointment. All Members and Trustees have access to GovernorHub, a comprehensive online governance portal which includes online training and resources. All Members and Trustees 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 and equality and diversity, as well as wider areas of interest. The College also offers bespoke training sessions on request. Additionally, the College and OHCAT jointly hold an annual governors' conference, offering Trustees across both organisations the chance to take part in training and development opportunities as well as networking. The annual governor conference was held on 6<sup>th</sup> October 2023 with sessions exploring the theme of 'Fostering Collaboration'. It was well attended and feedback was positive.

### **Key management personnel**

The Trustees consider the key management personnel for the College to include:

- ◆ The Trustees, and
- ◆ The Executive Senior Leadership Team:
  - The CEO
  - The Deputy CEO
  - The College Principal
  - The Chief Finance Officer
  - The Chief Operating Officer
  - The Executive Director of Development
  - The Executive Director for Quality & Standards

The Executive Senior Leadership Team (except for the College Principal) all offer their services on a Service Level Agreement arrangement with OHCAT and are not direct employees of the College.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

The People Committee considers salaries for senior post holders including the key management personnel of the College and makes recommendations to the College Board for approval.

The Trustees, except for the CEO who is also a Trustee of the charitable company, did not receive any remuneration for their services to the College in the period of report; as noted above, the CEO is remunerated by Orchard Hill College Academy Trust and the College is recharged by the Academy Trust for his time under a service level agreement.

## **FUTURE PLANS**

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

Our learners require and receive a high-quality blended offer within their local context in order to meet their different needs and ambitions. By working together as a family, we can 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).

Currently, the College offers specialist educational programmes for students aged 16 and over in nine main centres and additional satellite provision in London and Surrey. Provision is organised on a hub model, with College centres and Orchard Hill College Academy Trust schools clustered around four hubs:

- ◆ Sutton and Croydon – OHC Vocational Progression Centre, OHC Garratt House, OHC Robin Hood Lane, OHC Old Town Hall, plus Carew Academy, The Link School and Addington Valley Academy;
- ◆ Northwest London and Slough – OHC Park View, plus The PRIDE Academy, The Skills Hub and Arbour Vale School;
- ◆ Southwest London – OHC Beaconsfield, OHC Lomond House, OHC Camberwell Road, OHC Vocational Centre, plus Dysart School, St Philip's School, Bedelsford School and Nightingale Community Academy;
- ◆ Surrey and Sussex – St Dominic's School, Grafham Grange School, Brantridge School, Unified Academy.

The hub model supports effective cross-organisational working and best use of resources to benefit every OHC&AT student. The College operates in a combination of co-located and community-based centres, offering a curriculum closely aligned to the needs of pupils in each hub who are leaving OHCAT schools to attend the College. Each hub develops or forms partnerships with providers to ensure that resourced facilities may be accessed by multiple OHC&AT provisions as required; this may include vocational facilities, digital hubs, generic/specialist sports facilities, independent living practice suites, as well as continuing professional development opportunities for staff.

**FUTURE PLANS (continued)**

The development of the hub model has supported both College and Trust to offset potential limitations associated with geographical dispersion. By growing local excellence alongside OHCAT academies, the College has been able to smooth transitions for incoming students, provide additional learning opportunities through shared facilities and resources, and enable staff to build networks and share expertise. Each member of the College Senior Leadership Team acts as Regional Lead for a specific area or areas, liaising closely with both College centre staff and OHCAT academies in the hub to ensure that quality assurance, compliance processes and responsive localised support are robust.

The period under discussion has seen the continuation of a planned shift in focus and a further evolution of strategic priorities. Building on the success of the College and the strong partnership with Orchard Hill College Academy Trust, the College 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 organisation, 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 organisation 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 organisation, through capacity building, maximising financial probity and efficiency, and the strategic improvement of 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 College and the Trust.

In alignment with these strategic priorities, the College's immediate future plans include further development of premises to meet local need and enable an innovative curriculum including vocational opportunities, ongoing staff and whole organisational development around the specialisms associated with the cohort, and the further development of the ICT offer to support students in and out of College.

In order to meet local demand and provide an enhanced student experience, from September 2025 the College will be expanding into Sutton Life Centre, absorbing the current provision at OHC Robin Hood Lane. The new centre will have space for 72 students who will be able to access a variety of work and vocational opportunities alongside existing community facilities.

The proposed campus is intended to offer local pathways to local young people who might benefit from having additional post-16 choice. As well as classroom spaces for young people with different needs and abilities, the campus would aim to ensure the provision of a flat for independent-living practice and a wide range of vocational workshops, giving young people sustainable employability skills.



## **FUTURE PLANS (continued)**

The College has also recruited a newly established Enrichment and Engagement team which will work across regions from September 2024 to further develop OHC's localised offer and student services. Orchard Hill College 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.

The College internship offer will also be expanding, with two new programmes starting in the upcoming academic year at Lambeth Council and NHS England. With these additional Supported Internship programmes within the Southwark region, the College can now offer this life-changing opportunity in all its regions of operation. This expansion further strengthens the College's commitment to providing students with valuable, real-world work experience.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees have assessed the major risks to which the College is exposed and have implemented strategies to manage those risks. The following key principles outline the College's approach to risk management and internal control as set out in the Risk Management Policy:

- ◆ The Board of Trustees has responsibility for overseeing risk management within the College as a whole.
- ◆ An open and receptive approach to solving risk problems is adopted by the Board of Trustees.
- ◆ The Executive Senior Leadership Team and the Principal support, advise on and implement policies approved by the Board of Trustees.
- ◆ The College makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- ◆ Senior and middle managers are responsible for ensuring 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 Board of Trustees each term. Key risks include:

### **Quality**

The College currently operates nine related but separate centres, with additional satellite provision where necessary to meet demand. Ensuring the delivery of a transformative, high quality of education and pastoral care is the central mission of OHC and crucial to its continued success and growth. The College's robust quality and progression monitoring framework is fully embedded, enabling a deep understanding at executive level of each centre and work stream's strengths and areas for development to inform targeted improvement initiatives, underpinned by robust quantitative and qualitative data.

**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

**Compliance**

The College is geographically dispersed across four regional hubs. In addition, the College works to an underlying principle of localism supported by a central function. Such a local and regional focus means that individual centres 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 OHC&AT plays in the monitoring and assurance of each College centre and work stream and in relation to statutory policies and procedures, key stakeholder engagement and the promotion of OHC'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.

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 College 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.

**Recruitment**

Recruitment continues to be a risk for the college. Whilst some provisions have more challenges due to local and/or circumstantial reasons, such as Hillingdon and Southwark, all centres are experiencing challenges, which is consistent with the national picture.

The cost-of-living challenges, coupled with higher rates of pay being offered in some other industries (for example retail), have made it more challenging to recruit to roles at the lower end of the pay scales. It is particularly difficult to attract Learning Support Assistants and other support staff. This also applies to Integrated Services for the College (therapy and nursing), as availability of skilled personnel in this sector is diminishing. However, HR have diligently supported overseas recruitment for several members of Integrated Services staff and worked with key stakeholders to implement a reviewed set of terms and conditions for Integrated Services personnel that benchmark to the NHS Agenda for Change.

**Estates**

Over the past five years, the College has seen significant growth not only in numbers on roll but also the wide range of need and especially over the last few years we have seen an increasing pattern of students presenting with more profound and complex need which cannot be met within some of our centres. This is particularly pertinent for students within our VPC and Lomond centres. As an example, since 2018, Lomond college centre has had to decline provision for almost half as many Southwark young people as it has accepted, due to lack of suitable space and facilities to meet that demand.

The critical challenge currently facing the College is working within the constraints that some of the current buildings have. It has now come to a point where we have a mismatch between some of the accommodation and the demand for more complex student places. To meet the increased demand, we do need to work in partnership with local authorities to purchase or secure long term leases with enough building capacity to offer an innovative curriculum, to enable more young people to study in their local areas.

## **PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

### **Infrastructure and capacity**

To most effectively meet its strategic aims and objectives, the College 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 to ensure that they are effective and fit for purpose. Central support, as well as delivery to students, requires sufficient capacity, in terms of quality, number of personnel and coherent organisational management to promote exceptional outcomes.

As both an outstanding provider and the sponsor of a Multi Academy Trust, the College faces a range of potential challenges to its ability to continuously deliver high quality education and related services. The College and the Trust have taken steps to more closely align themselves in recent years, which increases the risk of issues impacting on both organisations rather than individually. The College has developed robust succession planning arrangements, developing leadership within the organisation and recruiting high quality staff to increase capacity, while strengthening cross-organisational support systems that encourage knowledge sharing and staff support targeted at areas of high demand. Internal reporting mechanisms have been synchronised across both organisations, allowing senior leaders to anticipate support needs and act rapidly to mitigate risk.

### **Over-expansion**

Any organisation that expands too rapidly risks downturns in the quality of provision and financial overstretch, to the detriment of its reputation and quality. OHC 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 building on existing commissioning, as well as deepening and maturing the College's work so that best practice is consolidated.

### **Business continuity**

Interruptions to typical activity can have a negative impact on the offer provided to OHC students. In a dynamically shifting national, regional and local landscape, threats to normal business continuity are complex and multifaceted; these might represent a physical threat of interruption such as damage to premises or restrictions such as those experienced during the pandemic, or a risk of interruption to crucial College operations through malicious acts e.g. cyber-attacks, fraud attempts, deliberate data breaches. OHC has a secure ethos, a clearly defined headline mission and vision, and a well-articulated and understood set of values, in addition to effective and responsive operational support via OHC&AT Central Teams. These combine to support the College 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 OHC at any given time. Identified threats to business continuity receive targeted intervention e.g. system security testing, refresher training.

### **Funding**

The College is reliant on Government funding to support students whose additional support needs carry costs that exceed most other forms of ongoing funding. Variations in the funding methodology and levels of resource, as well as changes in eligibility criteria and uncertainty associated with major political events, create potential risk. OHC engages proactively with funding bodies to raise awareness of the potential impact of planned actions and maintains strong working relationships with

**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

**Funding (continued)**

external agencies to ensure that productive dialogue takes place at local, regional and national level. This risk is particularly acute in the forthcoming academic year and beyond; as inflation has significantly increased this is directly impacting on the cost of attracting and retaining staff, the procurement of goods and services, in particular energy and the cost of borrowing which would be needed to support our estates strategy. This, alongside a downward pressure from financially challenged Local Authorities via Commissioning Alliances to reduce pricing, will have a double effect.

**Risk management**

OHC 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. This year the Trustees reviewed risk management and agreed a new framework to be implemented from next year. Trustees agree that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks; additionally, factors are in place that provide the organisation with the capacity to deal with issues or problems that occur, for example, an experienced Executive Senior Leadership Team, which can act quickly in response to unexpected events through forward planning, policies and insurance and through holding appropriate reserves. Risk is monitored specifically by the Audit and Risk Committee. This committee provides Trustees with independent assurances and assistance on their financial and performance reporting responsibilities, risk oversight and management, and system of internal control. The audit and risk committee has been considerably strengthened with the addition of experienced and highly skilled Trustees who report directly to the Board of Trustees.

## Trustees' report (including Strategic Report) 31 July 2024

### Statement of Trustees' responsibilities

The Trustees (who are also Directors of Orchard Hill College for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- ◆ The Trustees are responsible for keeping proper accounting records that 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.

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Trustees' report, including Strategic Report, approved by the Board of Trustees and signed on its behalf by:



P Lauener  
Trustee

Date: 13 December 2024

## **Independent auditor's report to the members of Orchard Hill College**

### **Opinion**

We have audited the financial statements of Orchard Hill College (the 'College') for the year ended 31 July 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 College 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 College'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 other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements.

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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material

## **Trustees' report (including Strategic Report) 31 July 2024**

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, 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, 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 College 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
- 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; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

### **Responsibilities of Trustees**

In the light of the knowledge and understanding of the College 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
- 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; or
- we have not received all the information and explanations we require for our audit.

### **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.

## Trustees' report (including Strategic Report) 31 July 2024

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 College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Charities Act 2011, Companies Act 2006, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- 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 assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, 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; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

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;
- reading the minutes of trustee meetings; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards 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.



## **Trustees' report (including Strategic Report) 31 July 2024**

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

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

### **Use of our report**

This report is made solely to the College's members, as a body, in accordance with the College's Articles of Government / Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the College'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 College and the College'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: 19 December 2024

**Statement of Financial Activities**  
**for the year ended 31 July 2024**  
(including Income and Expenditure Account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	2024 Total funds £'000	2023 Total funds £'000
<b>Income from:</b>					
Donations and legacies	1	5	-	5	15
Charitable activities					
Provision of education	2	18,696	226	18,922	17,213
Other trading activities	3	233	-	233	66
Investments	4	174	-	174	80
<b>Total income</b>		<u>19,108</u>	<u>226</u>	<u>19,334</u>	<u>17,374</u>
<b>Expenditure on:</b>					
Charitable activities					
Provision of education	5	18,847	243	19,090	18,493
<b>Total expenditure</b>		<u>18,847</u>	<u>243</u>	<u>19,090</u>	<u>18,493</u>
<b>Net income (expenditure)</b>		261	(17)	244	(1,119)
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension scheme	19	1,304	-	1,304	6,388
<b>Net movement in funds</b>		1,565	(17)	1,548	5,269
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 August 2023		6,457	21	6,478	1,209
Fund balances carried forward at 31 July 2024		<u>8,022</u>	<u>4</u>	<u>8,026</u>	<u>6,478</u>

All recognised gains and losses are included in the above statement of financial activities.

All of the College's activities derived from continuing operations during the period of report.

**Balance Sheet  
as at 31 July 2024**

Company Registration Number 07586715 (England and Wales)

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
<b>Fixed assets</b>					
Tangible assets	11		5,929		5,265
<b>Current assets</b>					
Debtors	12	829		1,663	
Cash at bank and in hand		4,089		6,780	
Short-term deposits		1,997		-	
		6,915		8,443	
<b>Creditors:</b> amounts falling due within one year	13	(2,564)		(3,533)	
<b>Net current assets</b>			4,351		4,910
<b>Total assets less current liabilities</b>			10,280		10,175
<b>Creditors:</b> amounts falling due after more than one year	14		(1,216)		(1,264)
<b>Net assets excluding pension liability</b>			9,064		8,911
Defined benefit pension scheme liability	19		(1,038)		(2,433)
<b>Total net assets</b>			8,026		6,478
<b>The funds of the College:</b>					
Restricted funds	17		4		21
Unrestricted funds					
· Tangible fixed assets fund	15	4,690		3,981	
· Pensions reserve fund	16	(1,038)		(2,433)	
· General fund	18	4,370		4,909	
			8,022		6,457
			8,026		6,478

Approved by the Board of Trustees on 13<sup>th</sup> December 2024 and signed on its behalf by:



P Lauener  
Trustee

**Statement of Cash Flows  
for the year ended 31 July 2024**

	Notes	2024 £'000	2023 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	314	398
<b>Cash flows from investing activities:</b>			
Bank interest receivable		174	80
Purchase of tangible fixed assets		(1,130)	(825)
Short-term deposits		(1,997)	-
<b>Net cash used in investing activities</b>		<b>(2,953)</b>	<b>(745)</b>
<b>Cash flows from financing activities:</b>			
Interest on finance lease obligation		(52)	(58)
<b>Net cash used in financing activities</b>		<b>(52)</b>	<b>(58)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(2,691)</b>	<b>(405)</b>
<b>Cash and cash equivalents at 1 August 2023</b>	B	<b>6,780</b>	<b>7,185</b>
<b>Cash and cash equivalents at 31 July 2024</b>	B	<b>4,089</b>	<b>6,780</b>

**Notes to the statement of cash flows for the year ended 31 July 2024**

**A Reconciliation of net income to net cash provided by operating activities**

	2024 £'000	2023 £'000
<b>Net income (expenditure) (as per the statement of financial activities)</b>	<b>244</b>	<b>(1,119)</b>
<b>Adjustments for:</b>		
Depreciation charge	467	456
Loss on disposal of tangible fixed assets	-	1
Defined benefit pension scheme finance cost adjustment	96	292
Defined benefit pension scheme service cost adjustment	(241)	380
Interest receivable	(174)	(80)
Interest payable on finance lease obligation	52	58
Decrease/(increase) in debtors	835	(447)
(Decrease)/increase in creditors	(965)	857
<b>Net cash provided by operating activities</b>	<b>314</b>	<b>398</b>

# Statement of Cash Flows (continued)

## B Analysis of cash movements

	2024 £'000	2023 £'000
Cash at bank and in hand	6,780	7,185
Change in cash and cash equivalents in the year	(2,691)	(405)
<b>Total cash and cash equivalents</b>	<b>4,089</b>	<b>6,780</b>

## C Analysis of cash and short-term investments

	2024 £'000	2023 £'000
Cash at bank and in hand	757	3,211
Notice deposits (less than 3 months)	2,167	2,066
Other saving accounts (0-3 months)	1,165	1,503
<b>Total of cash and cash equivalents</b>	<b>4,089</b>	<b>6,780</b>
Other saving accounts (3-12 months) as short-term deposits	1,997	-
<b>Total cash and short-term deposits</b>	<b>6,086</b>	<b>6,780</b>

## D Analysis of change in net debt

	1 August 2023 £'000	Cashflows £'000	31 July 2024 £'000
Cash at bank	6,780	(2,691)	4,089
Short-term deposits	-	1,997	1,997
Loans falling due within one year	(20)	-	(23)
Loans falling due after more than one year	(1,264)	-	(1,216)
<b>Total</b>	<b>5,496</b>	<b>(694)</b>	<b>4,847</b>

## **Statement of Accounting Policies 31 July 2024**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year ended 31 July 2024. The comparative results are for the year ended 31 July 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The College constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions adopted by the Trustees and management in determining the value of any designations required from the College's general unrestricted funds;
- ◆ the present value of the Local Government Pension Scheme defined benefit liability depends on several factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate and salary increase rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability; and
- ◆ the discount rate applied in relation to the carrying value of building finance lease obligations.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

## **Principal accounting policies 31 July 2024**

The Trustees of the College have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the College to continue as a going concern. The Trustees are of the opinion that the College will have sufficient resources to meet its liabilities as they fall due.

In forming this assessment, the Trustees have considered the impact of high inflation in recent years on the College's activities with a particular focus on its effect on the College's financial position including income, expenditure and reserves; the College's beneficiaries; and its employees. The financial position, cash flow projections, and available reserves have also been reviewed and detailed in the Financial Review of the Trustees' Report, taking into account the expected levels of funding from the Education and Skills Funding Agency (ESFA), Local Authorities (LAs) and other sources. Based on this review, the Trustees have concluded that the College has sufficient liquid resources to continue for the foreseeable future, despite the current pressures.

### **Income**

Income is recognised in the year in which the College has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

### **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 year 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.

### **Tuition fees and educational contracts**

Fee and educational contract income is recognised in the year in which the education was delivered.

### **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.

Assets donated to the College by Orchard Hill College Academy Trust have been accounted for based on the net book value of the asset in the Academy Trust balance sheet immediately before the date of transfer.

Net assets donated to the College by the London Borough of Sutton have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities as donations income.

### **Interest receivable**

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

## **Principal accounting policies 31 July 2024**

### **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.

Expenditure headings are as follows:

- a. Expenditure on raising funds - This includes all expenditure incurred by the College to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- b. Expenditure on charitable activities - These are costs incurred on the College's educational operations, including support costs and costs relating to the governance of the College. Governance costs comprise the costs involving the public accountability of the College (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure is inclusive of irrecoverable VAT.

### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

All assets are stated at cost less depreciation.

Depreciation has been calculated at the following rates in order to write off each asset over its estimated useful life:

- ◆ 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 Equipment & Software - 33.33% (3 years) straight line.
- ◆ Major Works (£50,000 - £100,000) - 10%-20% (5-10 years) straight line.

Depreciation on assets in the course of construction is not charged until they are brought into use.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.



## **Principal accounting policies 31 July 2024**

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **Creditors and provisions**

Creditors and provisions 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. Creditors and provisions are recognised at the amount the College anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Pension costs**

Retirement benefits to employees of the College 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 to spread the cost of pensions over employees' working lives with the College 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 based on quadrennial valuations using a prospective unit credit 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 year to which they relate.

The LGPS is a funded scheme, and the assets are held separately from those of the College 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 credit 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 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.

### **Leased assets**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

## **Principal accounting policies 31 July 2024**

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful economic lives (or the term of lease if shorter). The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the statement of financial activities over the year of the lease at a constant proportion of the outstanding balance of capital repayments.

### **Fund accounting**

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Designated funds comprise monies set aside out of unrestricted funds for specific future purposes or projects, including:

- ◆ The tangible fixed assets fund represents the net book value of the College's tangible fixed assets.
- ◆ The pension reserve fund represents the net defined benefit pension scheme liability in respect of the LGPS.

Unrestricted general funds comprise those monies which may be used towards meeting the objectives of the College at the discretion of the Trustees.

## Notes to the financial statements 31 July 2024

### 1 Income from donations and legacies

	Unrestricted funds	
	2024	2023
	Total	Total
	funds	funds
	£'000	£'000
Donations	5	15

### 2 Income from charitable activities: Provision of education

	Unrestricted funds	Restricted funds	2024	2023
	£'000	£'000	Total funds	Total funds
			£'000	£'000
<b>Educational Skills Funding Agency:</b>				
- 16-19 funding	4,694	76	4,770	4,566
- 19+ funding	982	9	991	1,085
	5,676	85	5,761	5,651
<b>Local Authority educational contracts</b>	12,828	70	12,898	11,259
<b>Other educational operations</b>	192	-	192	232
<b>Other DfE/ESFA funding</b>				
- Catch-up premium (Tuition Fund)	-	71	71	71
<b>Total 2024</b>	18,696	226	18,922	17,213
<b>Total 2023</b>	17,052	161	17,213	

### 3 Income from other trading activities

	Unrestricted funds	
	2024	2023
	£'000	£'000
Other grants – DWP Access to Work	215	53
Other revenue grants	1	2
Miscellaneous income	17	11
	233	66

### 4 Income from investments

	Unrestricted funds	
	2024	2023
	£'000	£'000
Bank interest receivable	174	80

## Notes to the financial statements 31 July 2024

### 5 Expenditure on charitable activities: Provision of education

	Unrestricted funds £'000	Restricted funds £'000	2024 Total funds £'000	2023 Total funds £'000
Staff costs (note 8)	13,253	-	13,253	12,883
Educational supplies	500	243	743	779
Allocated support costs (note 6)	5,094	-	5,094	4,831
<b>Total 2024</b>	<b>18,847</b>	<b>243</b>	<b>19,090</b>	<b>18,493</b>
Total 2023	18,353	140	18,493	

### 6 Support costs

	Unrestricted funds	
	2024 Total funds £'000	2023 Total funds £'000
Premises costs	2,182	1,802
Administration costs	2,737	2,959
Legal and professional fees	85	15
ICT connectivity	3	5
ICT administration software and systems	43	17
Laptops, desktops and tablets	6	-
Other ICT hardware	4	-
IT learning resources	7	-
Governance costs (note 7)	27	33
	<b>5,094</b>	<b>4,831</b>

Administration costs above include £2,443,000 for the core service charge and business support services provided by Orchard Hill College Academy Trust (2023: £2,557,000). See also note 20 to these financial statements.

### 7 Governance costs

	Unrestricted funds	
	2024 £'000	2023 £'000
External auditor's remuneration:		
- Teachers' Pension assurance	3	3
- Financial statements audit	21	21
- Regularity assurance	5	-
- Other services	-	2
	<b>29</b>	<b>26</b>

## Notes to the financial statements 31 July 2024

### 8 Staff costs

	2024 £'000	2023 £'000
Wages and salaries	10,967	10,069
Social security costs	756	681
Pension costs:		
- TPS contributions payable	549	485
- LGPS contributions payable	1,107	967
- LGPS service and finance cost adjustment	(145)	672
Severance payments	19	9
	<b>13,253</b>	<b>12,883</b>

#### Staff numbers

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

	2024 Number	2023 Number
Lecturers & management	70	62
Teaching support staff	183	189
Admin staff	25	14
	<b>278</b>	<b>265</b>

The number of employees whose annualised emoluments (including taxable benefits in kind but excluding employer pension costs) exceeded £60,000 were as follows:

	2024 Number	2023 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	8	7
£80,001 - £90,000	2	-
£100,001 - £110,000	1	1

#### Remuneration of key management personnel

The Trustees consider that they, together with the Executive Senior Leadership Team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the College on a day-to-day basis.

Trustees were not remunerated for their services to the College apart from the CEO, who is an employee of Orchard Hill College Academy Trust, and is remunerated by the College under a service level agreement with the Academy Trust (see note 20 Related Party Transactions).

The total remuneration of the Principal for the year ended 31 July 2024 (including employer pension contributions and employer national insurance contributions) was £143,000 (2023: £138,000).

Other members of the Executive Senior Leadership Team are employed by Orchard Hill College Academy Trust and the split of the remuneration attributable to the College and the Academy Trust individually cannot be determined with sufficient reliability.

## Notes to the financial statements 31 July 2024

The total remuneration (including employer pension contributions and employer national insurance contributions) of the Executive Senior Leadership Team (payable by Orchard Hill College Academy Trust) for the year ended 31 July 2024 was £924,000 (2023: £854,000).

As noted in the Trustees' report, Orchard Hill College continues to be the academy sponsor of Orchard Hill College Academy Trust. Further information regarding transactions between the College and the Academy Trust is given in note 20.

### 9 Trustees' expenses

Trustees may claim reimbursement for any out-of-pocket expenditure incurred in connection with their duties as Trustees of the College. During the year ended 31 July 2024, no trustee received reimbursement for travel and subsistence expenses (2023: £NIL).

### 10 Net income (expenditure) for the year

This is stated after charging:

	2024 £'000	2023 £'000
Staff costs (note 8)	13,253	12,883
Depreciation (note 11)	467	456
Operating lease rentals	581	369
External auditor's remuneration	29	26

### 11 Tangible assets

	Long Leasehold Buildings £'000	Furniture and Equipment £'000	Motor Vehicles £'000	ICT Connectivity £'000	ICT Hardware £'000	ICT Hardware £'000	Total £'000
<b>Cost or valuation</b>							
At 1 August 2023	6,026	985	242	-	1,700	15	8,967
Additions	666	116	1	279	68	-	1,130
Disposals	-	(496)	(44)	-	(409)	-	(948)
At 31 July 2024	6,692	605	199	279	1,359	15	9,149
<b>Depreciation</b>							
At 1 August 2023	1,281	757	128	-	1,536	-	3,701
Charge for the year	279	71	30	2	81	4	467
Released on disposal	-	(496)	(44)	-	(409)	-	(948)
At 31 July 2024	1,560	332	114	2	1,208	4	3,220
<b>Net book values</b>							
At 31 July 2024	5,132	273	85	277	151	11	5,929
At 1 August 2023	4,744	228	114	-	164	15	5,265

At 31 July 2024, the College had capital commitments of £8,000 in respect of orders placed for the year, these related to projects in Park View and Sutton Life Centre, not yet started at year end. These are included within prepayments and have not been capitalised during the year.

## Notes to the financial statements 31 July 2024

### 12 Debtors

	2024 £'000	2023 £'000
Educational fees receivable	186	628
Prepayments and accrued income	630	1,022
Other debtors	13	13
	<b>829</b>	<b>1,663</b>

### 13 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	1,071	69
Accruals	635	2,616
Deferred income	487	437
Finance lease obligation (note 14)	23	20
Other taxation and social security	347	306
Other creditors	1	85
	<b>2,564</b>	<b>3,533</b>
<b>Movements on deferred income (included above)</b>		
Balance brought forward at 1 August 2023	437	437
Income deferred in current reporting year end	327	260
Amounts released to income from prior reporting year end	(277)	(260)
Balance carried forward at 31 July 2024	<b>487</b>	<b>437</b>

Deferred income in the main relates to funding received in advance from the ESFA and local authorities.

### 14 Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Finance lease obligation	<b>1,216</b>	<b>1,264</b>

On 31 July 2024, the present value of future minimum lease payments in respect to finance lease obligations for the College was as follows:

	2024 £'000	2023 £'000
<b>Amounts falling due within one year (note 13)</b>	<b>23</b>	<b>20</b>
<b>Amounts falling due after one year:</b>		
. Amounts falling due between one to two years	26	22
. Amounts falling due between two to five years	90	81
. Amounts falling due after more than five years	1,100	1,161
	<b>1,216</b>	<b>1,264</b>
<b>Total finance lease obligations</b>	<b>1,239</b>	<b>1,284</b>

The above obligations are in respect to long-leasehold properties transferred from the London Borough of Sutton and have been discounted at a rate of 4.00% and 5.25%.

## Notes to the financial statements 31 July 2024

### 15 Tangible fixed assets fund

	2024 £'000
At 1 August 2023	3,981
Net movement in year	709
At 31 July 2024	<u>4,690</u>

The tangible fixed assets fund represents the net book value of the College's tangible fixed assets net of associated finance lease obligations. A decision was made to separate this fund from the general funds and other funds of the College in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the College and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

### 16 Pension reserve fund

	2024 £'000
At 1 August 2023	(2,433)
Net movement in year	1,395
At 31 July 2024	<u>(1,038)</u>

The pension reserve fund represents the College's share of the net liability in respect of the Local Government Pension Scheme. This fund has been separated on the College's balance sheet in order to distinguish the liability from the operational liabilities which form part of the College's working capital.

### 17 Restricted funds

The income funds of the College include restricted funds comprising the following balances of donations and grants held on trust to be applied for specific purposes.

	At 1 August 2023 £'000	Income £'000	Expenditure £'000	At 31 July 2024 £'000
Covid-19 funding	-	71	(71)	-
Other restricted DfE/ESFA funding	21	85	(104)	2
LA Pupil Equipment funding	-	70	(68)	2
	<u>21</u>	<u>226</u>	<u>(243)</u>	<u>4</u>

The specific purposes for which the monies are held are as follows:

- ◆ Covid-19 funding - this comprises monies received from government to provide additional financial support to the College with managing the disruption caused by Covid-19.
- ◆ Other restricted DfE/ESFA funding - this comprises monies received from government, the use of which is limited to very specific purposes in line with the grant conditions.



## Notes to the financial statements 31 July 2024

### 18 Analysis of net assets between funds

	Unrestricted funds			Restricted funds £'000	2024 Total funds £'000
	General funds £'000	Tangible fixed assets fund £'000	Pensions reserve fund £'000		
Tangible fixed assets	-	5,929	-	-	5,929
Debtors	829	-	-	-	829
Cash at bank and in hand	4,089	-	-	-	4,089
Short-term deposits	1,997	-	-	-	1,997
Creditors due within one year	(2,545)	(23)	-	4	(2,564)
Creditors due after more than one year	-	(1,216)	-	-	(1,216)
Defined benefit pension liability	-	-	(1,038)	-	(1,038)
	4,370	4,690	(1,038)	4	8,026

### 19 Pension and similar obligations

The College'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, which is managed by London Borough of Sutton Pension Fund. Both are multi-employer defined benefit schemes.

Prior to 31 August 2024, the latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £178,000 were payable to the schemes at 31 July 2024 (2023: £156,000) 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 academy trusts. 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' Pension 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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2024 was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

## Notes to the financial statements 31 July 2024

- ◆ employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024, which is 5% increase from 23.68% prior to this date;
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million;
- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

Other financial assumptions and the comparison of 2016 and 2020 assumptions are outlined on page 14 of the valuation report. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. The next valuation result is due to be implemented from 1 April 2028.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The College has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme.

The employer's pension costs paid to TPS during the year amounted £549,000 (2023: £463,000).

### Local Government Pension Scheme (LGPS)

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 July 2024 was £1,395,000 (2023: £1,259,000), of which employer's contributions totalled £1,095,000 (2023: £981,000) and employees' contributions totalled £300,000 (2023: £278,000)

Principal actuarial assumptions	At 31 July 2024 %	At 31 July 2023 %
Rate of increase in salaries	2.70	2.95
Rate of increase for pensions in payment	2.70	2.95
Discount rate for scheme liabilities	5.00	5.00
Inflation assumption (CPI)	2.70	2.95

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

	2024 Years	2023 Years
Retiring today		
Males	19.2	20.2
Females	24.3	24.3
Retiring in 20 years		
Males	20.2	21.6
Females	24.2	25.4

## Notes to the financial statements 31 July 2024

The College's share of the assets in the scheme were:

	Fair value 2024 £'000	Fair value 2023 £'000
Equities	6,325	5,127
Bonds	1,851	1,912
Property	729	1,130
Cash	729	-
Other	1,160	520
<b>Total market value of assets</b>	<b>10,794</b>	<b>8,689</b>

Amounts recognised in statement of financial activities:

	2024 £'000	2023 £'000
Current service costs	854	1,361
Net interest cost	96	292
Administration expenses	54	-
<b>Total operating charge in current period</b>	<b>1,004</b>	<b>1,653</b>

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

	2024 £'000	2023 £'000
Opening balance	11,122	14,546
Current service cost	854	1,361
Interest cost	562	536
Employee contributions	300	278
Actuarial gain	(906)	(5,524)
Benefits paid	(100)	(75)
<b>Defined benefit obligation as of 31 July 2024</b>	<b>11,832</b>	<b>11,122</b>

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

	2024 £'000	2023 £'000
Opening balance	8,689	6,397
Interest income	466	244
Actuarial gain	398	864
Employer contributions	1,095	981
Employee contributions	300	278
Benefits paid	(100)	(75)
Administration expenses	(54)	-
<b>Fair value of fund assets as of 31 July 2024</b>	<b>10,794</b>	<b>8,689</b>

## Notes to the financial statements 31 July 2024

### 20 Related party transactions

Owing to the nature of the College's operations and the composition of the Governing Body being drawn from local public and private sector organisations. It is inevitable that transactions will take place with organisations in which a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

#### Related party income

The College collaborates with OHCAT and its academies, which provide learning support services to the College. For the year ended 31 July 2024, these amounted to £243,000 (2023: £259,000).

#### Related party expenditure

During the year, the College received services from Orchard Hill College Academy Trust under service level agreements, at cost of £2,443,000 (2023: £2,557,000). This included recharges of leadership and support staffing costs, IT support, MIS services, marketing services, governance, training, safeguarding, legal, procurement and occupational health services. All services were provided at cost.

In addition to the above, the following transactions took place between the College and individual academies within the Academy Trust:

- ◆ A College centre is based at one of the academies of Orchard Hill College Academy Trust; the College pays occupational costs of £51,000 (2023: £44,000);
- ◆ During 2023-24, College students accessed a vocational provision delivered by one of the academies; the cost of these courses amounted to £60,000 (2023: £42,000);
- ◆ The College has a service level agreement to reimburse the Academy Trust for costs incurred in relation to Garratt House, a College site transferred from the Academy Trust on a 50-year lease. In the year to 31 July 2024, the College paid £12,000 (2023: £11,000);
- ◆ All of these transactions were provided by Orchard Hill College Academy Trust at cost.

#### Receivables and payables

The amount due from the Academy Trust to the College at 31 July 2024 was £40,000 included within debtors (2023: £219,000).

The amount due to the Academy Trust from the College at 31 July 2024 was £717,000 included within creditors (2023: £1,239,000).

### 21 Operating lease commitments

At 31 July 2024, the total of the College's future minimum lease payments under non-cancellable operating leases was as follows:

	At 31 July 2024 £'000	At 31 July 2023 £'000
Amounts due within one year	461	453
Amounts due within one to two years	1,895	1,705
Amounts due after more than five years	6,052	6,379
	<b>8,408</b>	<b>8,537</b>

## 22 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).

## 23 Comparative information

Analysis of income and expenditure account for the year ended 31 July 2023 between restricted and unrestricted funds:

<b>Income and expenditure account</b>	<b>Notes</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>2023 Total funds £'000</b>	<b>2022 Total funds £'000</b>
<b>Income from:</b>					
Donations and legacies	1	15	—	15	16
Charitable activities					
· Provision of education	2	17,052	161	17,213	17,411
Other trading activities	3	66	—	66	274
Investments	4	80	—	80	4
<b>Total income</b>		<b>17,213</b>	<b>161</b>	<b>17,374</b>	<b>17,705</b>
<b>Expenditure on:</b>					
Charitable activities					
· Provision of education	5	18,353	140	18,493	19,682
<b>Total expenditure</b>		<b>18,353</b>	<b>140</b>	<b>18,493</b>	<b>19,682</b>
<b>Net (expenditure) income</b>		<b>(1,140)</b>	<b>21</b>	<b>(1,119)</b>	<b>(1,977)</b>
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension scheme	19	6,388	—	6,388	8,298
<b>Net movement in funds</b>		<b>5,248</b>	<b>21</b>	<b>5,269</b>	<b>6,321</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 August 2022		1,209	—	1,209	(5,112)
Fund balances carried forward at 31 July 2023		6,457	21	6,478	1,209