

Company Registration No. 07694399 (England and Wales)

ORBIS EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

ORBIS EDUCATION TRUST

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ORBIS EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr C Drake
Mrs L Mayer (Resigned 01/09/2021)
Mrs A Shipley
Mrs K Dale (Appointed 01/09/2021)
Mr P Lord (Appointed 01/09/2021)
Mr S Sharman (Appointed 01/09/2021)

Trustees

Mr C Drake (Chair)
Mrs M R Lord (Resigned 1 September 2021)
Mrs S H Roberts (Executive Headteacher & Accounting Officer)
Mr G E Van Der Wal (Resigned 1 September 2021)
Ms P L White (Resigned 1 September 2021)
Mr P Smith (Resigned 1 September 2021)
Mr D Roe (Resigned 1 September 2021)
Mr B Aujla (Appointed 1 September 2021)
Mr R Gray (Appointed 1 September 2021)
Mrs S Grimsey (Appointed 1 September 2021)
Mr C Hilliard (Appointed 1 September 2021)
Mr P Sugarman (Appointed 1 September 2021)
Ms E Wynne (Appointed 1 September 2021)
Mrs L M Mayer (Appointed 1 September 2021)
Mr A Dunkley (Appointed 9 December 2021)

Senior management team

- CEO / Headteacher Southfield School	Mrs S Roberts
- Deputy Headteacher Southfield School	Mr G Butcher (until August 2022)
- Headteacher Kingsthorpe College	Mrs J Giovanelli
- Senior Deputy Headteacher Kingsthorpe College	Mr S Wade
- Finance Director for the Trust	Mrs A Williams
- HR Director for the Trust	Mrs A Butt
- IT Director for the Trust	Mr M Wilson
- Estates Director for the Trust	Mr C Wickens (from March 2022)

Company registration number

07694399 (England and Wales)

Principal and registered office

Lewis Road
Kettering
Northamptonshire
NN15 6HE
United Kingdom

Academies operated

Southfield School
Kingsthorpe College

Location

Kettering
Northampton

Headteacher

Mrs S Roberts
Mrs J Giovanelli

ORBIS EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor Azets Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL
United Kingdom

Bankers Yorkshire Bank
7 Gold Street
Northampton
NN1 1EN
United Kingdom

Solicitors Tollers LLP
2 Castillian Street
Northampton
NN1 1JX
United Kingdom

ORBIS EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The multi-academy trust operates two secondary academies for pupils aged 11 to 18 serving a catchment area in Northamptonshire. It has a pupil capacity of 2,573 and had a roll of 2,519 in the school census on January 2022.

Structure, governance and management

Constitution

The multi-academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi-academy trust.

On 13 May 2021 the charitable company passed a resolution to change its name from Southfield School to Orbis Education Trust. The academy also operates as Southfield School. On 1 September 2021 Kingsthorpe College, Northampton, joined the trust and operates as Kingsthorpe College.

The trustees of Orbis Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased professional indemnity insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

Method of recruitment and appointment or election of trustees

Trustees of the multi-academy are nominated by either the trust board or by members of the charitable company. Parent governors are elected by parents of registered pupils at each of the academies and sit on each of the local governing bodies. The Executive Headteacher is treated as an ex officio trustee. The articles of association require no less than three trustees.

The term of office for any trustee, shall be 4 years except the Headteacher who remains a trustee whilst in post. Trustees are eligible for re-election at the meeting at which they retire.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational, legal and financial matters. All new trustees will be given a tour of each of the academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. Induction tends to be done informally and is tailored specifically to the individual.

ORBIS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

The management structure consists of four levels; the trustees, the Executive Headteacher along with the central team, The Headteacher/Head of School for each academy and the senior leadership team and the middle leaders for each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academies by the use of budgets and making major decisions about the direction of the multi-academy, capital expenditure and appointment of the Executive Headteacher.

The central team, Executive Headteacher/Head of school and senior leaders manages and controls the academies at an executive level implementing the policies laid down by the trustees and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a Pay Policy which is linked to the Capability Policy. All staff are appointed to posts on a pay scale of between 3 and 5 points and automatically move to the next pay point each September unless there are any capability concerns and process in place, or they are at the top of their pay scale. All Senior Leadership and Central Team posts are benchmarked and reviewed by the Executive Headteacher. The Trust Pay Subcommittee will determine the pay scale of the Executive Headteacher and Headteachers. Teachers moving to or within the Upper Pay Range are asked to demonstrate they are highly competent and meet the criteria which is reviewed and approved if satisfactory by their school's Local Governing Body Pay Committee.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	5.88

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	4,023
Total pay bill	11,332,836
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	12%
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ORBIS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Related parties and other connected charities and organisations

Owing to the nature of the multi-academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations, except as noted below, are conducted in accordance with the requirements of the Academy Trust Handbook 2021, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the multi-academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

During the year a company in which a trustee is majority shareholder and CEO made supplies to the academy trust at a cost of £600 (2021: N/A). No amounts were owing to that company at the year end (2021: N/A). These transactions have not been notified to the ESFA.

The spouse and the son of persons who acted as trustees during the year are employed by the academy trust as teachers. The appointments were made in open competition and the trustees were not involved in the decision making process regarding the appointment. The employees are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to a trustee.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

Objectives and activities

Objects and aims

The principal object and activity of the multi-academy is to provide education for pupils of different abilities between the ages of 11 and 18.

In accordance with the articles of association the academy has adopted a "Scheme of Delegation" approved by the Secretary of State for Education.

Objectives, strategies and activities

The main objectives of the multi-academy during the year ended 31 August 2022 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

The multi-academy's main strategy to achieve its objectives is to provide education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- a programme of extra-curricular opportunities, clubs and experiences for all students;
- a full personal, social and health education along with an independent careers advice and a guidance programme to help students obtain employment or move on to higher education.

Equal opportunities policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The multi-academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

ORBIS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The trustees ensure that the academy's activities, as described above, are undertaken in line with the charitable objects and aims. The multi-academy's admission criteria for each school guarantees priority to pupils with an EHC Plan. Full admission criteria is available on each academy's website.

Strategic report

Achievements and performance

The coronavirus pandemic has had a significantly detrimental impact on the academic and pastoral aspects of the school. Students were required to engage with remote learning which has been a challenge for all involved, whilst pastoral support for students was at times also completed remotely. However, the staff rose to the challenge and adapted their work practices quickly and effectively.

The Academy challenges all students to make the best of their considerable talents and abilities. An excellent curriculum, good teaching by committed staff and a culture of high aspirations ensure students of all abilities achieve well and enjoy their learning.

Ofsted Inspection

Southfield School was inspected (under section 8) in February 2020.

The report identified that the school continued to be a good school. There was enough evidence of improved performance to suggest that the school could be judged outstanding if Ofsted were to carry out a full section 5 inspection.

Kingsthorpe College was rated as Good in December 2019.

Key performance indicators

Key subject successes with Grade 9-4 (A*-C) outcomes:

Southfield School

- English Language – 91.6% of students achieved grades 9-4.
- Maths – 79.6% of students achieved grades 9-4.

Kingsthorpe College

- English Language – 87% of students achieved grades 9-4.
- Maths – 71% of students achieved grades 9-4.

The key financial performance indicator is the level of salary costs (excluding LGPS actuarial adjustments) compared to grant income (excluding exceptional government funding). The Trustees aim to maintain this at 80% to enable sufficient funds to be available for the repair and maintenance of the trust's school, IT infrastructure investment and other day to day expenditure. For the year ended 31 August 2022 the actual ratio was 75% (2021: 76%). This was achieved through a continual review of the staffing structure and restructuring, where appropriate, as and when there are staff changes.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi-academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

ORBIS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

Financial report for the year

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds, such as any running costs of the academy trust not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2022 total revenue expenditure, excluding depreciation, LGPS accounting adjustments and the transfer of Kingsthorpe College into the academy trust, was £15.20 million (2021: £5.95 million) and total income and endowments from the DfE and other sources was £15.7 million (2021: £6.3 million), including capital income of £0.2m (2021: £0.1m).

At 31 August 2022 the net book value of tangible fixed assets was £8.7million (2021: £8.7 million) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

Financial position

The academy trust held fund balances at 31 August 2022 of £7.9 million (2021: £6.7 million) comprising £7.0 million (2021: £6.3 million) of restricted funds and £0.9 million (2021: £0.4 million) of unrestricted funds. The restricted pension reserve is currently in deficit £2.3 million (2021: £2.6 million). This deficit relates solely to the actuarial assessment of Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit.

Reserves policy

The trustees review the reserve levels of the academy trust annually. Given increasing salary costs (increases in salaries, Teachers' Pensions contributions and National Insurance costs) and the downward pressure on grant income the trustees currently aim to hold reserves to cover future budget gaps.

The academy trust's current level of free reserves (total funds less the amount held in restricted pension and fixed asset funds) is £1.4 million (2021: £0.7 million).

Investment policy

The academy trust does not hold any investments other than cash at bank.

Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the multi-academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the multi-academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The multi-academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

ORBIS EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial and risk management objectives and policies

The trustees regularly review the risks faced by the academy trust and have completed a "Risk Map" to identify the critical areas of concern. As far as possible the trustees have put in place management controls to minimise/mitigate risks.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Plans for future periods

The next 12 months

The multi-academy trusts plans for the next year are to continue to improve standards in each of the schools. Alongside driving the development of the new school at the Hanwood Park site. In addition to this, at the direction of the DfE, the Trust will be exploring appropriate areas of growth.

The values that underpin everything that the academy does are:

Optimism
Resilience
Balance
Individuality
Synergy

We aspire for all our students to become confident, secure, caring individuals who achieve personal success and develop a love of learning. We want them to have access to the best teachers and educational learning tools. We want to be confident that we offer all of our students the opportunity to maximise their potential during their time at either Southfield School or Kingsthorpe College.

On 1st September 2021 Kingsthorpe College, Northampton (part of the Collaborative Academies Trust) joined Orbis Education Trust.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 08 December 2022 and signed on its behalf by:

Mr C Drake
Chair

ORBIS EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the executive headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Orbis Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr C Drake (Chair)	5	5
Mrs M R Lord (Resigned 1 September 2021)	0	0
Mrs S H Roberts (Executive Headteacher & Accounting Officer)	5	5
Mr G E Van Der Wal (Resigned 1 September 2021)	0	0
Ms P L White (Resigned 1 September 2021)	0	0
Mr P Smith (Resigned 1 September 2021)	0	0
Mr D Roe (Resigned 1 September 2021)	0	0
Mr B Aujla (Appointed 1 September 2021)	4	5
Mr R Gray (Appointed 1 September 2021)	3	5
Mrs S Grimsey (Appointed 1 September 2021)	5	5
Mr C Hilliard (Appointed 1 September 2021)	5	5
Mr P Sugarman (Appointed 1 September 2021)	4	5
Ms E Wynne (Appointed 1 September 2021)	4	5
Mrs L M Mayer (Appointed 1 September 2021)	4	5
Mr A Dunkley (Appointed 9 December 2021)	4	4

The multi-academy trust board was formally established on 1 September 2021. The scheme of delegation identifies the responsibilities and ultimately coverage of the work the trust board has completed.

The multi-academy trust introduced a new MIS across both schools, so that more consistent and comparable data could be shared across the trust.

Conflicts of interest

In order to manage any potential conflicts of interest, the Trust maintains an up-to-date and complete register of interests for our Board. This register is used in the day-to-day management and governance of the Trust. It is also asked that conflicts of interest are disclosed before Board meetings.

ORBIS EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The multi-academy trust was only established in September 2021. Prior to its creation the DfE reviewed the governance structures and personnel and approved the formation of the trust. As the trust grows further reviews will take place or, if there are any significant changes to structures or personnel.

Meetings

Whilst there have been less than 6 meetings of the Board of Trustees this year, the Trustees are comfortable that an appropriate level of effective oversight has been maintained through well-planned meetings, open dialogue throughout the year and the regular meeting of committees.

Committee details

The Finance and Audit Committee and Educational Standards Committee are sub Committees of the board of trustees. Their purpose is, inter alia, to review and approve all matters relating to Education, Finance, Human Resources, Premises, Risk Management and Health and Safety. The Committees make recommendations to the board of trustees for approval as set out in the terms of reference.

Review of value for money

As accounting officer, the executive headteacher has responsibility for ensuring that the multi-academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the multi-academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the multi-academy trust has delivered improved value for money during the year by:

- Closely monitoring staffing requirements and making appropriate decisions about replacement or otherwise when existing staff leave.
- Reviewing the effectiveness of the curriculum and the number of staff required to deliver the curriculum effectively.
- Reviewing the basis on which Teaching and Learning Responsibilities (TLR's) are awarded to make sure that the number awarded are rationalised, appropriate for the size of the school and consistent across the faculties.
- Undertaking comprehensive reviewing and specifying of the capital projects to ensure best value and design was achieved.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of multi-academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Orbis Education Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the multi-academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the multi-academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

ORBIS EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Moore as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the multi-academy trust's financial systems. In particular the checks carried out in the current period included:

- Payroll review
- Trading review

On a termly basis, the auditor reports to the board of trustees through the resources committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The multi-academy trust can confirm that the internal auditor has delivered their schedule of work as planned. No material control issues were noted as a result of the internal auditor's work.

Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work noted above;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the multi-academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 08 December 2022 and signed on its behalf by:

Mr C Drake
Chair

Mrs S H Roberts
Executive Headteacher & Accounting Officer

ORBIS EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Orbis Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 08 December 2022 and signed on its behalf by:

Mr C Drake
Chair

ORBIS EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Orbis Education Trust, I have considered my responsibility to notify the multi-academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi-academy trust, under the funding agreement in place between the multi-academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the multi-academy trust's board of trustees are able to identify any material irregular or improper use of funds by the multi-academy trust, or material non-compliance with the terms and conditions of funding under the multi-academy trust's funding agreement and the Academy Trust Handbook 2021.

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

Mrs S H Roberts
Accounting Officer

08 December 2022

ORBIS EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORBIS EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Orbis Education Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. 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), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the multi-academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 multi-academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ORBIS EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORBIS EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the multi-academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

ORBIS EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORBIS EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Paul Tyler (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

12 December 2022

Chartered Accountants
Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
United Kingdom
NN15 6BL

ORBIS EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ORBIS EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 7 September 2022 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Orbis Education Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Orbis Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Orbis Education Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the multi-academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of Trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the Accounting Officer

ORBIS EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ORBIS EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL
United Kingdom

Dated: 12 December 2022

ORBIS EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £000s	Restricted funds: General £000s	Fixed asset £000s	Total 2022 £000s	Total 2021 £000s
Income and endowments from:						
Donations and capital grants	3	-	-	151	151	101
Charitable activities:						
- Funding for educational operations	5	138	15,443	-	15,581	6,241
Investments	4	11	-	-	11	-
Total		<u>149</u>	<u>15,443</u>	<u>151</u>	<u>15,743</u>	<u>6,342</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	16,077	388	16,465	6,454
Charitable expenditure - transfer of existing academy into the trust	25	(327)	5,496	(268)	4,901	-
Total	6	<u>(327)</u>	<u>21,573</u>	<u>120</u>	<u>21,366</u>	<u>6,454</u>
Net income/(expenditure)		476	(6,130)	31	(5,623)	(112)
Transfers between funds	16	-	(60)	60	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	6,779	-	6,779	(419)
Net movement in funds		476	589	91	1,156	(531)
Reconciliation of funds						
Total funds brought forward		398	(2,335)	8,667	6,730	7,261
Total funds carried forward		<u>874</u>	<u>(1,746)</u>	<u>8,758</u>	<u>7,886</u>	<u>6,730</u>

ORBIS EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£000s	£000s	£000s	£000s
Fixed assets					
Tangible assets	12		8,703		8,655
Current assets					
Debtors	13	816		312	
Cash at bank and in hand		2,108		927	
		<u>2,924</u>		<u>1,239</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,456)		(524)	
		<u></u>		<u></u>	
Net current assets			1,468		715
Net assets excluding pension liability			<u>10,171</u>		<u>9,370</u>
Defined benefit pension scheme liability	18		(2,285)		(2,640)
			<u></u>		<u></u>
Total net assets			<u>7,886</u>		<u>6,730</u>
Funds of the multi-academy trust:					
Restricted funds	16				
- Fixed asset funds			8,758		8,667
- Restricted income funds			539		305
- Pension reserve			(2,285)		(2,640)
			<u></u>		<u></u>
Total restricted funds			7,012		6,332
Unrestricted income funds	16		874		398
			<u></u>		<u></u>
Total funds			<u>7,886</u>		<u>6,730</u>

The accounts on pages 19 to 42 were approved by the trustees and authorised for issue on 08 December 2022 and are signed on their behalf by:

Mr C Drake
Chair

Company Number 07694399

ORBIS EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £000s	£000s	2021 £000s	£000s
Cash flows from operating activities					
Net cash provided by operating activities	19		312		411
Cash funds transferred on conversion			896		-
			<u>1,208</u>		<u>411</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		11		-	
Capital grants from DfE Group		51		23	
Capital funding received from sponsors and others		105		727	
Purchase of tangible fixed assets		(194)		(723)	
		<u></u>		<u></u>	
Net cash (used in)/provided by investing activities			<u>(27)</u>		<u>27</u>
Net increase in cash and cash equivalents in the reporting period			1,181		438
Cash and cash equivalents at beginning of the year			927		489
			<u>2,108</u>		<u>927</u>
Cash and cash equivalents at end of the year			<u><u>2,108</u></u>		<u><u>927</u></u>

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Orbis Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the multi-academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Orbis Education Trust meets the definition of a public benefit entity under FRS 102 and is a private charitable company, limited by guarantee and registered in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

The financial statements are prepared in Sterling, being the functional currency of the charitable company. Monetary amounts presented in these financial statements have been rounded to the nearest £'000.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the multi-academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi-academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the multi-academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the multi-academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi-academy trust's accounting policies.

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the multi-academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the multi-academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the multi-academy trust's educational operations, including support costs and costs relating to the governance of the multi-academy trust apportioned to charitable activities.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold land and buildings	Buildings 2% of cost
Improvements to property	4% of cost
IT equipment	20% of cost
Furniture & equipment	10% of cost
Motor vehicles	10% of cost

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

No depreciation is provided in respect of freehold land, which is included at a value of £0.67 million.

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

The trust does not recognise any value associated with buildings from which they operate which have been provided and are maintained by a third party under a PFI agreement with West Northamptonshire Council. The multi-academy trust has entered into an agreement with West Northamptonshire Council to reimburse that local authority for the major part of its commitment under its PFI agreement. Due to the nature of the PFI agreement these assets will only be recognised once the agreement expires.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

The multi-academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the multi-academy trust and their measurement basis are as follows.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The multi-academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the multi-academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the multi-academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the multi-academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi-academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the multi-academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi-academy trust at the discretion of the trustees.

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

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

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

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £000s	Restricted funds £000s	Total 2022 £000s	Total 2021 £000s
Capital grants	-	151	151	101

The income from donations and capital grants was £151,000 (2021: £101,000) of which £151,000 was restricted fixed assets (2021: £101,000).

4 Investment income

	Unrestricted funds £000s	Restricted funds £000s	Total 2022 £000s	Total 2021 £000s
Short term deposits	11	-	11	-

The income from funding for investment income was £11,000 (2021: £-) of which £11,000 was unrestricted (2021: £-).

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

5 Funding for the multi-academy trust's educational operations

	Unrestricted funds £000s	Restricted funds £000s	Total 2022 £000s	Total 2021 £000s
DfE / ESFA grants				
General annual grant (GAG)	-	14,243	14,243	5,260
Other DfE / ESFA grants:				
Pupil premium	-	436	436	156
Teachers pension grant	-	65	65	210
Teachers pay grant	-	23	23	74
Summer school grant	-	-	-	38
Others	-	3	3	45
	<u>-</u>	<u>14,770</u>	<u>14,770</u>	<u>5,783</u>
Other government grants				
Local authority grants	-	356	356	140
	<u>-</u>	<u>356</u>	<u>356</u>	<u>140</u>
Exceptional government funding				
Coronavirus exceptional support	-	-	-	8
Other Coronavirus funding	-	71	71	77
	<u>-</u>	<u>71</u>	<u>71</u>	<u>85</u>
Other incoming resources	138	246	384	233
	<u>138</u>	<u>246</u>	<u>384</u>	<u>233</u>
Total funding	<u>138</u>	<u>15,443</u>	<u>15,581</u>	<u>6,241</u>

The income from funding for educational operations was £15,581,000 (2021: £6,241,000) of which £138,000 was unrestricted (2021: £41,000) and £15,443,000 was restricted (2021: £6,200,000).

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'exceptional government funding'.

The funding received for coronavirus exceptional support covers £Nil (2021: £7,564) of personal protective equipment (PPE) and other related equipment costs. These costs are included in notes 6 and 8 below as appropriate.

6 Expenditure

	Staff costs £000s	Non-pay expenditure Premises £000s	Other £000s	Total 2022 £000s	Total 2021 £000s
Academy's educational operations					
- Direct costs	9,530	388	1,365	11,283	4,655
- Allocated support costs	2,660	1,767	755	5,182	1,799
	<u>12,190</u>	<u>2,155</u>	<u>2,120</u>	<u>16,465</u>	<u>6,454</u>

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2022	2021
	£000s	£000s
Fees payable to auditor for:		
- Audit	7	6
- Other services	5	4
Operating lease rentals	632	24
Depreciation of tangible fixed assets	388	296
Net interest on defined benefit pension liability	141	36
	<u> </u>	<u> </u>

7 Central services

The multi-academy trust has provided the following central services to its academies during the year:

- executive head leadership and management;
- human resources;
- staff development;
- financial services;
- legal services;
- IT support services;
- educational support services;
- others as arising.

The multi-academy trust charges for these services on the basis of approximately 3% of the academies' expected General Annual Grant (GAG) and other ESFA grant funding.

The amounts charged during the year were as follows:	2022	2021
	£000s	£000s
Southfield School	150	-
Kingsthorpe College	199	-
	<u> </u>	<u> </u>
	349	-
	<u> </u>	<u> </u>

8 Charitable activities

All from restricted funds:	2022	2021
	£000s	£000s
Direct costs		
Educational operations	11,283	4,655
Support costs		
Educational operations	5,182	1,799
	<u> </u>	<u> </u>
	16,465	6,454
	<u> </u>	<u> </u>

The expenditure on charitable activities was £16,465,000 (2021: £6,454,000) of which £16,077,000 was restricted (2021: £6,158,000) and £388,000 was restricted fixed assets (2021: £296,000).

	2022	2021
	£000s	£000s

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities (Continued)

Analysis of support costs

Support staff costs	2,660	1,008
Premises costs	1,767	541
Legal costs	37	18
Other support costs	685	222
Governance costs	33	10
	<u>5,182</u>	<u>1,799</u>

9 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£000s	£000s
Wages and salaries	8,509	3,387
Social security costs	900	305
Pension costs	2,530	921
Staff costs - employees	<u>11,939</u>	<u>4,613</u>
Agency staff costs	69	74
Staff restructuring costs	182	-
Total staff expenditure	<u>12,190</u>	<u>4,687</u>

Staff restructuring costs comprise:

Redundancy payments	177	-
Severance payments	5	-
	<u>182</u>	<u>-</u>

Severance payments

The academy trust paid 1 severance payment in the year, disclosed in the following band:

£Nil - £25,000 1

Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,000 (2021: £Nil). Individually, the payments were: £5,000.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

(Continued)

Staff numbers

The average number of persons employed by the multi-academy trust during the year was as follows:

	2022 Number	2021 Number
Teachers	154	63
Administration and support	106	41
Management	16	10
	<u>276</u>	<u>114</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	4	1
£70,001 - £80,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the multi-academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi-academy trust was £740,504(2021: £750,365).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the multi-academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

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

S Roberts (Trust CEO / headteacher of Southfield School):

- Remuneration £110,000 - £115,000 (2021: £90,000 - £95,000)
- Employer's pension contributions £25,000 - £30,000 (2021: £20,000 - £25,000)

D Roe - Appointed 07/01/2021 and resigned 01/09/2021 (staff):

- Remuneration N/A (2021: £20,000 - £25,000)
- Employer's pension contributions N/A (2021: £5,000 - £10,000)

During the year, travel, subsistence and other payments totalling £1,913 (2021: £726) were reimbursed or paid directly to 2 trustees (2021: 2 trustees).

Other related party transactions involving the trustees are set out within the related parties note.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Trustees' and officers' insurance

The multi-academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi-academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Freehold land and buildings	Improvement s to property	IT equipment	Furniture & equipment	Motor vehicles	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Cost						
At 1 September 2021	4,357	5,127	173	212	37	9,906
Transfer on conversion	-	-	516	157	24	697
Additions	-	16	-	135	72	223
At 31 August 2022	4,357	5,143	689	504	133	10,826
Depreciation						
At 1 September 2021	730	297	129	87	8	1,251
Transfer on conversion	-	-	359	101	24	484
Charge for the year	74	205	76	29	4	388
At 31 August 2022	804	502	564	217	36	2,123
Net book value						
At 31 August 2022	3,553	4,641	125	287	97	8,703
At 31 August 2021	3,627	4,830	44	125	29	8,655

13 Debtors

	2022 £000s	2021 £000s
Trade debtors	15	28
VAT recoverable	485	25
Other debtors	2	-
Prepayments and accrued income	314	259
	816	312

Prepayments and accrued income include £111,000 (2021: £110,000) in respect of capital grants due to the academy trust.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Creditors: amounts falling due within one year

	2022 £000s	2021 £000s
Trade creditors	244	78
Other taxation and social security	233	83
Other creditors	-	2
Accruals and deferred income	979	361
	<u>1,456</u>	<u>524</u>

15 Deferred income

	2022 £000s	2021 £000s
Deferred income is included within:		
Creditors due within one year	165	94
	<u>165</u>	<u>94</u>
Deferred income at 1 September 2021	94	97
Released from previous years	(94)	(97)
Resources deferred in the year	165	94
	<u>165</u>	<u>94</u>
Deferred income at 31 August 2022	165	94

At the balance sheet date the academy trust was holding funds received in advance of the next academic year of £138,000 (2021: £94,000) together with grants received in error totalling £27,000 (2021: £Nil) awaiting repayment to the funder.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

	Balance at 1 September 2021 £000s	Income £000s	Expenditure £000s	Gains, losses and transfers £000s	Balance at 31 August 2022 £000s
Restricted general funds					
General Annual Grant (GAG)	305	14,243	(13,965)	(60)	523
Teachers pension grant	-	65	(65)	-	-
Teachers pay grant	-	23	(23)	-	-
Pupil premium	-	436	(436)	-	-
Other DfE/ESFA grants	-	3	(3)	-	-
Other government grants	-	427	(427)	-	-
Other restricted funds	-	246	(230)	-	16
Pension reserve	(2,640)	-	(6,424)	6,779	(2,285)
	<u>(2,335)</u>	<u>15,443</u>	<u>(21,573)</u>	<u>6,719</u>	<u>(1,746)</u>
Restricted fixed asset funds					
Inherited on conversion	3,522	-	24	60	3,606
DfE group capital grants	5,145	151	(144)	-	5,152
	<u>8,667</u>	<u>151</u>	<u>(120)</u>	<u>60</u>	<u>8,758</u>
Total restricted funds	<u>6,332</u>	<u>15,594</u>	<u>(21,693)</u>	<u>6,779</u>	<u>7,012</u>
Unrestricted funds					
General funds	<u>398</u>	<u>149</u>	<u>327</u>	<u>-</u>	<u>874</u>
Total funds	<u>6,730</u>	<u>15,743</u>	<u>(21,366)</u>	<u>6,779</u>	<u>7,886</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the academy together with other unrestricted general funds.

Under the funding agreement with the Secretary of State the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended. During the year £60,000 was transferred from restricted general funds to restricted fixed asset funds in respect of own funds transferred to fund capital additions in the year.

Restricted Pension Reserve Funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

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

	Balance at 1 September 2020 £000s	Income £000s	Expenditure £000s	Gains, losses and transfers £000s	Balance at 31 August 2021 £000s
Restricted general funds					
General Annual Grant (GAG)	-	5,260	(4,955)	-	305
Teachers pension grant	-	210	(210)	-	-
Teachers pay grant	-	74	(74)	-	-
Summer school grant	-	38	(38)	-	-
Pupil premium	-	156	(156)	-	-
Other DfE/ESFA grants	-	45	(45)	-	-
Other government grants	-	225	(231)	6	-
Other restricted funds	22	192	(242)	28	-
Pension reserve	(2,014)	-	(207)	(419)	(2,640)
	<u>(1,992)</u>	<u>6,200</u>	<u>(6,158)</u>	<u>(385)</u>	<u>(2,335)</u>
Restricted fixed asset funds					
Transfer on conversion	3,642	-	(120)	-	3,522
DfE group capital grants	5,254	101	(176)	(34)	5,145
	<u>8,896</u>	<u>101</u>	<u>(296)</u>	<u>(34)</u>	<u>8,667</u>
Total restricted funds	<u>6,904</u>	<u>6,301</u>	<u>(6,454)</u>	<u>(419)</u>	<u>6,332</u>
Unrestricted funds					
General funds	357	41	-	-	398
	<u>357</u>	<u>41</u>	<u>-</u>	<u>-</u>	<u>398</u>
Total funds	<u>7,261</u>	<u>6,342</u>	<u>(6,454)</u>	<u>(419)</u>	<u>6,730</u>

Total funds analysis by academy

	2022 £000s	2021 £000s
Fund balances at 31 August 2022 were allocated as follows:		
Southfield School	828	703
Kingsthorpe College	558	-
Central services	27	-
	<u>1,413</u>	<u>703</u>
Total before fixed assets fund and pension reserve	1,413	703
Restricted fixed asset fund	8,758	8,667
Pension reserve	(2,285)	(2,640)
	<u>7,886</u>	<u>6,730</u>
Total funds	<u>7,886</u>	<u>6,730</u>

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £000s	Other support staff costs £000s	Educational supplies £000s	Other costs excluding depreciation £000s	Total 2022 £000s	Total 2021 £000s
Southfield School	3,941	967	145	1,313	6,366	-
Kingsthorpe College	5,510	959	150	1,884	8,503	-
Central services	79	-	13	241	333	-
	<u>9,530</u>	<u>1,926</u>	<u>308</u>	<u>3,438</u>	<u>15,202</u>	<u>-</u>

17 Analysis of net assets between funds

	Unrestricted Funds £000s	Restricted funds: General £000s	Fixed asset £000s	Total Funds £000s
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	8,703	8,703
Current assets	874	1,884	166	2,924
Creditors falling due within one year	-	(1,345)	(111)	(1,456)
Defined benefit pension liability	-	(2,285)	-	(2,285)
Total net assets	<u>874</u>	<u>(1,746)</u>	<u>8,758</u>	<u>7,886</u>

	Unrestricted Funds £000s	Restricted funds: General £000s	Fixed asset £000s	Total Funds £000s
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	8,655	8,655
Current assets	398	747	94	1,239
Creditors falling due within one year	-	(442)	(82)	(524)
Defined benefit pension liability	-	(2,640)	-	(2,640)
Total net assets	<u>398</u>	<u>(2,335)</u>	<u>8,667</u>	<u>6,730</u>

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

The multi-academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £Nil were payable to the schemes at 31 August 2022 (2021: £4,487) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,411,000 (2021: £599,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.2% for employers and 5.5 to 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the multi-academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the multi-academy trust at the balance sheet date.

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

Total contributions made	2022	2021
	£000s	£000s
Employer's contributions	392	148
Employees' contributions	107	43
	<u> </u>	<u> </u>
Total contributions	499	191
	<u> </u>	<u> </u>

Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	3.05	3.4
Rate of increase for pensions in payment/inflation	3.55	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.55	2.9
Communtation of pensions to lump sums - Pre April 2008 service	50	50
Communtation of pensions to lump sums - Post April 2008 service	75	75
	<u> </u>	<u> </u>

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

	2022	2021
	Years	Years
Retiring today		
- Males	21.7	21.7
- Females	24.1	24.1
Retiring in 20 years		
- Males	22.8	22.8
- Females	25.8	25.8
	<u> </u>	<u> </u>

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022	2021
	£000s	£000s
Discount rate + 0.1%	(213)	(127)
Discount rate - 0.1%	213	127
Mortality assumption + 1 year	348	225
Mortality assumption - 1 year	(348)	(225)
CPI rate + 0.1%	20	114
CPI rate - 0.1%	(20)	(114)
	<u> </u>	<u> </u>

The multi-academy trust's share of the assets in the scheme	2022	2021
	Fair value	Fair value
	£000s	£000s
Equities	4,440	1,996
Debt instruments	1,033	596
Cash	65	29
Property	904	358
	<u> </u>	<u> </u>
Total market value of assets	6,442	2,979
	<u> </u>	<u> </u>

The actual return on scheme assets was £(434,000) (2021: £480,000).

Amount recognised in the statement of financial activities	2022	2021
	£000s	£000s
Current service cost	1,046	319
Past service cost	80	-
Interest income	(110)	(41)
Interest cost	251	77
	<u> </u>	<u> </u>
Total operating charge	1,267	355
	<u> </u>	<u> </u>

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2022	2021
	£000s	£000s
At 1 September 2021	5,619	4,370
Transferred in on existing academies joining the multi-academy trust	9,067	-
Current service cost	1,046	319
Interest cost	251	77
Employee contributions	107	43
Actuarial (gain)/loss	(7,323)	858
Benefits paid	(120)	(48)
Past service cost	80	-
	<u> </u>	<u> </u>
At 31 August 2022	<u>8,727</u>	<u>5,619</u>
	<u> </u>	<u> </u>
Changes in the fair value of the multi-academy trust's share of scheme assets	2022	2021
	£000s	£000s
At 1 September 2021	2,979	2,356
Transferred in on existing academies joining the multi-academy trust	3,518	-
Interest income	110	41
Actuarial loss/(gain)	(544)	439
Employer contributions	392	148
Employee contributions	107	43
Benefits paid	(120)	(48)
	<u> </u>	<u> </u>
At 31 August 2022	<u>6,442</u>	<u>2,979</u>
	<u> </u>	<u> </u>

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Reconciliation of net expenditure to net cash flow from operating activities	2022 £000s	2021 £000s
Net expenditure for the reporting period (as per the statement of financial activities)	(5,623)	(112)
Adjusted for:		
Net deficit on transfer of academy in the trust	4,901	-
Capital grants from DfE and other capital income	(151)	(101)
Investment income receivable	(11)	-
Defined benefit pension costs less contributions payable	734	171
Defined benefit pension scheme finance cost	141	36
Depreciation of tangible fixed assets	388	296
Decrease in stocks	-	5
(Increase)/decrease in debtors	(509)	78
Increase in creditors	903	38
Stocks, debtors and creditors transferred on conversion	(461)	-
Net cash provided by operating activities	<u>312</u>	<u>411</u>

20 Analysis of changes in net funds	1 September 2021 £000s	Cash flows £000s	31 August 2022 £000s
Cash	927	1,181	2,108
	<u>927</u>	<u>1,181</u>	<u>2,108</u>

21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the academy trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy trust serving notice, the academy trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the academy trust site and premises and other assets held for the purpose of the academy trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

22 Long-term commitments, including operating leases

At 31 August 2022 the total of the multi-academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £000s	2021 £000s
Amounts due within one year	625	32
Amounts due in two and five years	2,443	105
Amounts due after five years	6,124	-
	<u>9,192</u>	<u>137</u>

Kingsthorpe College joined the trust on 1 September 2021. Its main school buildings were financed under a PFI arrangement which also provides services to the school, including maintenance of premises and IT equipment, cleaning and the provision of certain utilities. The school pays an annual amount based on a combination of fixed contribution schedules and pupil numbers which will run until 2038. In the year ended 31 August 2022, £938,497 (2021: £ N/A) of costs relating to this has been recognised in expenditure.

23 Related party transactions

Owing to the nature of the multi-academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations, except as noted below, are conducted in accordance with the requirements of the Academy Trust Handbook 2021, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the multi-academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

During the year a company in which a trustee is majority shareholder and CEO made supplies to the academy trust at a cost of £600 (2021: N/A). No amounts were owing to that company at the year end (2021: N/A). These transactions have not been notified to the ESFA.

The spouse and the son of persons who acted as trustees during the year are employed by the academy trust as teachers. The appointments were made in open competition and the trustees were not involved in the decision making process regarding the appointment. The employees are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to a trustee.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

24 Members' liability

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

25 Transfer of existing academies into the multi-academy trust

Kingsthorpe College

ORBIS EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

25 Transfer of existing academies into the multi-academy trust (Continued)

Net liabilities acquired	Transfer in recognised £000s
Other tangible fixed assets	213
Debtors	223
Creditors	(684)
Cash and cash equivalents	896
Pension scheme	(5,549)
Total net liabilities	<u>(4,901)</u>

There were no fair value adjustments required to the values reported by the transferring trust.