

Company Registration No. 07660783 (England and Wales)

ORTU FEDERATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

∴RickardLuckin

ORTU FEDERATION

CONTENTS

| | Page |
|--|-------------|
| Reference and administrative details | 1 - 3 |
| Trustees' report | 4 - 13 |
| Governance statement | 14 - 16 |
| Statement on regularity, propriety and compliance | 17 |
| Statement of trustees' responsibilities | 18 |
| Independent auditor's report on the accounts | 19 - 22 |
| Independent reporting accountant's report on regularity | 23 - 24 |
| Statement of financial activities including income and expenditure account | 25 - 26 |
| Balance sheet | 27 |
| Statement of cash flows | 28 |
| Notes to the accounts including accounting policies | 29 - 48 |

ORTU FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members

| | |
|--------------|-----------------------------|
| Mr S Nash | - Resigned 3 October 2022 |
| Mr J Finnis | |
| Ms J Seymour | |
| Mrs G Clark | - Appointed 9 November 2022 |

Trustees

Mr S Nash (Resigned 3 October 2022)
Mrs G Clark (Chairman) (Appointed 9 November 2022)
Mr P Edgar (Resigned 1 July 2022)
Ms C Jacobs (Resigned 5 September 2022)
Mr P Burr
Mr P Dale
Mr D Green (Resigned 15 July 2022)
Mr G Burman (Resigned 1 July 2022)
Mr A Harvey (Resigned 11 October 2022)
Dr I Frood (Appointed 1 November 2021)
Dr S Asong
Dr A Kitchen (Appointed 21 June 2022)
Mr L Brooks (Appointed 21 June 2022 and resigned 31 August 2022)

ORTU FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Senior leadership team

| | |
|-------------------|--|
| Dr S Asong | - CEO and Accounting Officer |
| Mr K Sadler | - Consulting CEO and Accounting Officer |
| Mr D Shillingford | - Finance Director |
| Mr G Lewis | - Interim Principal - OGH (appointed 1 September 2022) |
| | - Principal - OGH (appointed 1 January 2023) |
| Mr C Evans | - Principal - OGH (resigned 31 December 2022) |
| Mrs K Ashford | - Vice Principal - OGH |
| Ms L Nancolas | - Vice Principal - OGH |
| Mr G Walker | - Vice Principal - OGH |
| Mrs N Jeffery | - Senior Vice Principal - OGH |
| Mr J Bunn | - Vice Principal - OGH |
| Mr J Lynn | - Vice Principal - OGH (appointed 20 September 2021) |
| Mr I Morgan | - Vice Principal - OGH |
| Ms S Weston | - Director of Sixth Form |
| Mr M S Dixon | - Deputy Director of Sixth Form |
| Mrs S A Feeney | - Principal (resigned 30 September 2022) |
| Mrs C Keeble | - Trust Associate Headteacher (resigned 30 September 2022) |
| Mr G Smith | - Deputy Headteacher - OHA (resigned 31 December 2021) |
| Mr A Scott | - Vice Principal - OHA (appointed 16 November 2021) |
| Mr L Porter | - Headteacher - OCPS (resigned 20 February 2022) |
| Mrs L Coetzee | - Vice Principal - OCPS (appointed 1 September 2022) |
| Ms L Ellis | - Vice Principal - OCPS (appointed 1 July 2022) |

Secretary

Mr D Shillingford

Company registration number

07660783 (England and Wales)

Principal and registered office

Southend Road
Corringham
Stanford-le-Hope
Essex
SS17 8JT

Academies operated

ORTU Gable Hall School
ORTU Corringham Primary School
ORTU Hassenbrook Academy

Location

Corringham
Corringham
Stanford-le-Hope

Principal

Mr G Lewis
Mrs K Garrick
Mrs S A Feeney

ORTU FEDERATION

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Rickard Luckin Limited
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

Solicitors

Palmers Solicitors (Basildon)
19 Town Square
Basildon
Essex
SS14 1BD

ORTU FEDERATION

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 and strategic report under company law.

Structure, governance and management

Constitution

The 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 academy trust.

The charitable company is known as ORTU Federation Ltd.

The trustees of Ortu Federation 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 trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Business. The insurance provides cover of up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The number of Members shall be not less than three or more than five but not four. The first Members shall be those named in the initial Memorandum. The Trust Board shall have no more than ten Trustees. Each Local Governing Body shall be made of no more than fifteen Local Governors comprising up to three Community Governors; a minimum of two and a maximum of three parent governors; up to two Staff Governors, the Headteacher/Principal, and any person who is appointed to be a Governor by being co-opted by the Trust Board. Trustees may not co-opt an employee of the Multi Academy Trust as a co-opted Local Governor if the number of Local Governors who are employed by any single Academy would thereby exceed three.

Members of the Company appoint the ten Trustees. The ten Trustees appoint the fifteen members of the Local Governing Body. The term of office for any Governor shall be four years, save that this time limit shall not apply to the CEO. Subject to remaining eligible to be a particular type of Local Governor, any Local Governor may be reappointed or re-elected.

Ortu Federation Ltd use multiple sources when seeking new Governors / Trustees. This may be organisations such as "Governors for Schools" or "Academy Ambassadors". We also use our local contacts such as The Port of Tilbury London, the Orsett Show, and local volunteers to introduce new talent to our Boards. We have succeeded in maintaining sourcing strong skill based Boards as a result.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Local Governors will depend on their existing experience and the changing policy landscape in education. All new Local Governors will be given a tour of the Academies, an induction of Keeping Children Safe in Education Safeguarding Training and multiple opportunities to meet with staff and students. All relevant Local Governors are given access to Trust documentation and policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Local Governors effectively. As there are normally only two or three new Governors a year, induction is tailored specifically to the individual. There are at least two centrally organised Trust Local Governors training days in a school year and several opportunities for school visits including link governor monitoring visits.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

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 how the Multi Academy Trust's use of budgets and making major decisions about the direction of the Trust, capital expenditure. Most of these powers are delegated to the Chief Executive Officer (CEO) of the Multi Academy Trust.

The Management Team are responsible for the day to day operation of each Academy, in particular organising the teaching staff, facilities and students. They are accountable to the CEO for their performance.

Arrangements for setting pay and remuneration of key management personnel

The Trust follows National Pay Scales for All Senior Management. Enhancements to pay may be awarded for the adoption of additional roles across the Trust and this is determined by the Chief Executive Officer, in consultation with the Trust board.

The pay of Headteacher/Principal is set by the Pay Committee of the Trust Board, after the performance management review is carried out by the CEO in conjunction with LGB Chair and with independent professional advice as appropriate.

Trade union facility time

Relevant union officials

| | |
|--|------|
| Number of employees who were relevant union officials during the relevant period | 3 |
| Full-time equivalent employee number | 2.19 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | - |
| 1%-50% | 3 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time

| | |
|---|--------|
| Total cost of facility time | 4,303 |
| Total pay bill | 86,064 |
| Percentage of the total pay bill spent on facility time | 5% |

Paid trade union activities

| | |
|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - |
|---|---|

Engagement with suppliers, customers and others in a business relationship with the academy trust

Related parties and other connected charities and organisations

Owing to the nature of the Multi Academy Trusts operations and the composition of the Trust Board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees and Local Governors may have an interest. No such transactions have occurred during the year.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of ORTU Federation Ltd to provide education for pupils of different abilities between the ages of 2 and 18 with an emphasis on Performing Arts as its specialist area.

In accordance with the articles of association the charitable company has adopted a "Scheme of Delegation" approved by the Secretary of State for Children, Schools and Families. The Scheme of Delegation specifies, amongst other things, the basis for admitting students to the Academies which make up the Trust, the admissions areas from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on The Performing Arts.

Objectives, strategies and activities

The main objectives of the Trust during the year ended 31st August 2022 are summarised below:

- to ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement and attainment for all pupils;
- to improve the effectiveness of the Academies 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 Trust's business in accordance with the highest standards of integrity, probity and openness.

The Multi-Academy Trust's main strategy encompasses providing:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners for work experience;
- a programme of sporting, performing arts and after school leisure activities for all students;
- a system of after school clubs to allow students to explore areas of personal interest;
- a careers advisory service to help students achieve their next steps or obtain employment or move on to higher education.

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The 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.

Public benefit

The Trust complies fully with Disability Discrimination Act regulations and is equipped to welcome and/or teach any child or adult with a disability.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that they have set.

Trust admissions arrangements can be found on the Trust and Academies' websites. Any changes to admissions criteria are subject to consultation.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

Charitable Activities

Ortu Federation Ltd is a multi-academy trust consisting of two secondary and one primary school situated in the Stanford and Corringham areas within the Borough of Thurrock.

In May of 2022, Ortu Gable Hall was inspected by Ofsted and received a judgment of 'inadequate'. When last inspected, Corringham Primary was judged to be a 'good' school; whilst Hassenbrook 'required improvement'.

In September 2022, Trustees were informed that the Regional Director, East of England was to assert his right to re-broker Ortu Gable Hall to another trust which he believes will secure the rapid improvement that is required. Trustees have expressed a desire that the three schools that comprise Ortu should move together to the chosen trust and that Ortu as a company should then be closed.

At the time of writing this report, Trustees are still trying to persuade the DfE of the existential threat to Hassenbrook if it is placed in a competitive position with Gable Hall.

Trustees believe that it is likely that the re-brokering of all three schools will be complete by the end of the financial year. At that point, trustees will be supported by the DfE and the ESFA to wind-down the Trust.

Key performance indicators

Key Stage 4 Attainment 8 at **Ortu Gable Hall School** in 2022 was 45.86 (48.1 in 2021) with a pass rate for the basics (English and Maths combined at Grade 4 or above) being 69% (up from 53.6 % in 2019). The Progress 8 figure for 2022 was -0.46 compared with -0.60 in 2019. While the difference in attainment and progress between disadvantaged students and their peers are improving overall and remaining narrow in exclusion and attendance, work remains to be done in narrowing gaps further in Progress and Attainment.

The NEET figure is 0% and this is the 3rd year in a row this has been achieved! Attendance is at 92.3% ,which is below average but is affected by a small pocket of persistent absentees which the team are working on.

Ortu 6th Form continues to have strong Progress and Attainment. The Key Stage 5 Progress figure was -0.25, with Average Attainment at a B- (on an A-E scale) the highest historical attainment grade the college has achieved! The average Vocational Grade was a Distinction. Both retention and attendance are high at Key Stage 4 and 5 and the figure for students not in education, employment or training (NEET) is less than 1.5% overall. This means that the school's curriculum is effective at preparing students for their next steps (University, Apprenticeships or Employment).

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Leadership, Governance and staffing capacity at Ortu Gable Hall School has strengthened, especially in the area of safeguarding. Standards of behaviour are good and fine-tuning is taking place and move towards outstanding. The quality of education is currently Requires improvement but work is being done to move this to Good by Easter. The curriculum is being constantly quality assured to make sure it meets the needs of students, meets SACRE requirements and allows sustained improvements in outcomes. The school has worked hard with stakeholders and has developed a communication plan to ensure that staff, parents and students feel empowered and have a significant input into the running of the school. Following OFSTED the school has a clear action plan to arrest the issues and make the school OFSTED Good by the summer term. This is the focus of the leadership team and all staff in the school.

Ortu Hassenbrook Academy presents a story of steady growth since novation into the Trust in 2016. The school roll stands currently at **624** and is rising (473 in 2019, 530 in 2020, 582 in 2021) and is at its highest since 2016; the expansion of neighbouring secondary schools and the opening of two new Free Schools within a bus ride from Ortu Hassenbrook have combined to complicate the correlation between school improvement and school roll growth for Hassenbrook. 18% of our pupil population is mobile which brings its challenges. However, there is a real sense of optimism, and confidence within the school. Leadership and Governance are strong.

Standards of behaviour and welfare are improved, and we are part of the Department for Education's Behaviour Hub programme, having been partnered with Bedford Free School. The Principal and Assistant Vice Principal are undergoing intensive training and partaking in various school visits to support our journey to ensure **all** of our pupils are respectful, responsible and ready to learn at all times.

Personal Development and careers is strong, with 96% of pupils entering education or training, against a local authority average of 93% and national average of 94%. Participation in Student Council, our PSHE programme, assemblies, extra-curricular activities, trips and visits ensure that pupils have a positive rounded experience at school and are prepared for life post 16 in modern Britain.

Key Stage 4 Attainment 8 at Ortu Hassenbrook Academy stood at 36.3 in 2022 with progress at -0.8. The progress score of the non- mobile students however was -0.5 with attainment at 38. The disadvantaged P8 score was -0.8, therefore there is no attainment gap between disadvantaged and non-disadvantaged pupils. Attendance is just under national average at 91.1%, compared to 92.4%, and exclusions remain significantly below National at this point: 2.8% to date compared to 10.3%.

Ortu Corringham Primary School is an oversubscribed Good school with a stable roll, staff, leadership and governance with well established relationships in the community.

Corringham Primary School and Nursery has secured its EYFS intake through its strong Nursery provision, good results and a significant positive publicity drive to ensure that number on roll continues to rise. Due to low birth rate in Thurrock the 2022 intake to reception was significantly lower than previous years but this does not appear to be a trend as registration enquiries have been numerous this term and numbers in Nursery are high. The quality of the wrap around offer to the community is good and over-subscribed also.

There has also been a significant uptake of the Enrichment Curriculum.

What with being a Speech and Language Resource Base for the Local Authority, sustainability is sound.

The most recent national validated external data (2022) shows that GLD at the end of reception is in line with national at 73% ; Phonics data for Year 1 was significantly below national ; KS1 data was broadly in line with national except writing which was significantly below. At the end of key stage 2 all results were in line with national for progress but reading attainment was well above at 82%.

These metrics show that attainment broadly is in line with national the average. Progress data also places Ortu Corringham Primary as at average. Pupil attendance are above average and exclusions are below national average. Disadvantaged Going concern and accounts preparation basis students do less well than their peers but this is not significant in terms of national data.

It is the responsibility of the trustees to consider the most appropriate basis under which the financial statements should be prepared. After making appropriate enquiries, it has been agreed by the ESFA that the schools within the Ortu Federation will be re-brokered to alternate multi academy trusts during the next academic year. For this reason, the board of trustees have adopted the break up basis in preparing the accounts. Further details regarding the adoption of the break up basis basis can be found in the statement of accounting policies.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

Most of the Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants (General Annual Grant), some of which is restricted to particular purposes. The grants received from the DfE during the year ended 31st August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the Education Funding Agency (ESFA). In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), 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.

During the year ending 31 August 2022 the Trust ended with a surplus of £9,186k.

The Academy's financial position demonstrates total income of £16,199k (2021: £17,365k) with a net increase in funds of £ 9,186k (2021: increase £1,616k). £9,376k of this increase relates to the decrease in pension liability for the year.

At 31st August 2022 the net book value of fixed assets was £27,561k (2021: £26,394k). Movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Essex County Council Pension Fund, in which the Trust participates, showed a deficit of £1,912k (2021: £10,237k) at 31st August 2022. Of this sum, £1,839k was inherited by ORTU Federation Ltd from the Essex County Council on 1st July 2011 (Gable Hall School £1,090k), 1st October 2013 (Corringham Primary School £749k), 1st September 2016 (Hassenbrook Academy £2,198k), the dates on which the local authority staff transferred to employment with the Trust.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to six weeks' expenditure, approximately £1,700k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves is £2,162k (total funds less the amount held in fixed assets and restricted funds).

The Trust held fund balances at 31st August 2022 of £29,110k (2021: £19,923k) comprising £26,948k (2021: £18,146k) of restricted funds and £2,162k (2021: £1,778k) of unrestricted general funds. Of the restricted funds, £27,719k (2021: £27,552k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £1,912k (2021: £10,237k) in deficit.

Investment policy

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances.

The Trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school 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, staff training and the quality control of teaching) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

As Trustees, we acknowledge we have overall responsibility for ensuring that ORTU Federation Ltd has effective and appropriate systems of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Multi-Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Multi-Academy Trust is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Multi-Academy Trust or for publication is reliable;
- the Multi-Academy Trust complies with relevant laws and regulations

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 included the development of:

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

The Trustees of ORTU Federation Ltd have appointed SBM to carry out the role of Internal Auditor (IA). The IA's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. On a termly basis, the IA reports to the Trust Board on the operation of the systems of control and on the discharge of the Trust Boards financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

This process of rigorous monitoring also helps the Trust to continuously improve value for money.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The principal risks and uncertainties that ORTU Federation Ltd faces are:

- Ensuring that newly acquired financial stability is maintained
- Financial pressures arising from:
 - Numbers on Roll not growing fast enough
 - Slow roll growth in size at Ortu Hassenbrook Academy
 - Increased competition from other schools/academies with similar objectives, competing for a small pool of new pupils in the North East of Thurrock/South West Basildon
 - The growth of the neighbouring Free Schools without corresponding House Building and pupil yield within the admissions vicinity of Ortu Hassenbrook Academy
- Key person loss/succession
- A long wait for the change in Ofsted categorisation at Ortu Gable Hall to Good affecting roll growth
- Parents/other stakeholders' withdrawal of support
- The small size of the Trust exacerbated by continued partly funded government pay, local pressures on support staff pay, a hike in pension contributions, a local authority SEND and other deficit clawbacks
- An illiquid recruitment climate increases the cost of staffing to the long term viability of this small Trust.
- Risk of an uncontrollable event, for instance a fire or flood

Financial and risk management objectives and policies

The following steps are being taken to mitigate these risks:

- Currently Ortu Corringham Primary School is oversubscribed.
- Improvement Plans and External Reviews are now embedded practice in all 3 Trust schools. These improve quality of Education and therefore parental preference
- Successfully implementing deficit reduction and fund raising activities including improvements of the building fabric.
- Curriculum innovation and post lockdown recovery continues to be at the heart of the curriculum offer in all 3 schools
- Teacher CPD, Support staff professional development, and cross –trust talent management strategy ensure that there is a pipeline of professional to contribute to continuous organisational improvement.
- A change of culture towards financial discipline, efficiency savings and a value for money focus.
- Apart from striving for excellent outcomes against national benchmarks, we communicate clearly with parents via social media, email and school magazines. We have engaged the function of a communications team which includes a marketing specialist with the aim of ultimately improving the PAN at Ortu Hassenbrook Academy, while preventing that of Ortu Gable Hall from falling further.
- Schools within the Trust undertake Crisis Management training across a range of scenarios, as well as ensuring we always carry adequate levels of insurance
- Business continuity is reviewed regularly and opportunities created and seized to generate corporate efficiencies in staffing between the three schools which make up the Trust. Parental engagement is at the core of the Trust Improvement Plan

A risk also arises in relation to the Local Government defined benefit Pension Scheme (LGPS), due to the fact that there is a deficit of £1,912k, albeit central government has made a statement that they would not allow a Trust to fail as a result of the pension deficit.

Fundraising

The Trust undertakes fundraising via our lettings programme, whereby various Trust facilities are made available to the community at market rates. On occasion, the Trust raises funds on behalf of third party charities via collections. The Trust follows UKGOV guidance laid out in Charity fundraising: a guide to trustee duties.

Any charity collections organised within the Trust, are supervised by staff ensure that all funds collected are re issued to the principal charity promptly. It is not compulsory for students to participate in fundraising for charitable organisations and causes.

Any complaints about fundraising, will at first instance be managed by the Trust Finance Director and by the Chief Executive Officer on appeal. No fundraising takes place with the public at large involving door-to-door collections or the use of Direct Debits.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting

Energy consumption

| | |
|---|-----------|
| Aggregate of energy consumption in the year | kWh |
| | 4,300,020 |

Emissions of CO₂ equivalent

| | metric tonnes | metric tonnes |
|--|---------------|---------------|
| Scope 1 - direct emissions | | |
| - Gas combustion | 1,032.79 | |
| - Fuel consumed for owned transport | 0.73 | |
| | | 1,033.52 |
| Scope 2 - indirect emissions | | |
| - Electricity purchased | | 72.07 |
| Scope 3 - other indirect emissions | | |
| - Fuel consumed for transport not owned by the academy trust | | - |

| | |
|-----------------------|----------|
| Total gross emissions | 1,105.59 |
|-----------------------|----------|

Intensity ratio

| | |
|------------------------------------|------|
| Tonnes CO ₂ e per pupil | 0.58 |
|------------------------------------|------|

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂ equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Plans for future periods

The Trust will continue striving to improve the levels of performance of its pupils at all Key Stage and will continue its efforts to ensure its pupils secure apprenticeships, employment, or a place in higher education once they leave secondary school or the 6th Form. The Trust will also ensure that all primary school pupils are ready for secondary school. The Trust will continue to provide opportunities for a technological and character education to all pupils. The Trust is establishing links with the local and wider community and enabling direct access to the Trust's facilities, curricular materials and the expertise of Trust staff for the furtherance of raising aspirations in the Stanford and Corringham area, and beyond. There is a huge emphasis on character education, cultural capital, resilience and mental wellbeing. All schools within the Trust are modifying their curriculum in order to enable students to pursue their passions and achieve. It is an ambition of the Trust to work systematically to improve education in Thurrock and beyond.

ORTU FEDERATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

A resolution proposing that Rickard Luckin Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2022 and signed on its behalf by:

Mrs G Clark
Chairman

ORTU FEDERATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Ortu Federation 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.

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ortu Federation and the Secretary of State for Education. The accounting officer is 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 8 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 S Nash (Resigned 3 October 2022) | 5 | 10 |
| Mrs G Clark (Chairman) (Appointed 9 November 2022) | 9 | 10 |
| Mr P Edgar (Resigned 1 July 2022) | 7 | 7 |
| Ms C Jacobs (Resigned 5 September 2022) | 7 | 10 |
| Mr P Burr | 10 | 10 |
| Mr P Dale | 6 | 10 |
| Mr D Green (Resigned 15 July 2022) | 1 | 3 |
| Mr G Burman (Resigned 1 July 2022) | 4 | 7 |
| Mr A Harvey (Resigned 11 October 2022) | 7 | 10 |
| Dr I Frood (Appointed 1 November 2021) | 7 | 8 |
| Dr S Asong | 10 | 10 |
| Dr A Kitchen (Appointed 21 June 2022) | 2 | 3 |
| Mr L Brooks (Appointed 21 June 2022 and resigned 31 August 2022) | 2 | 3 |

Governance reviews

The audit committee is a sub-committee of the main board of trustees. Its purpose is to:

Monitor and advise the trust board on data, progress and attainment of all of the Trust academies.

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| Mrs G Clark (Chairman) (Appointed 9 November 2022) | 1 | 1 |
| Mr P Edgar (Resigned 1 July 2022) | 2 | 2 |
| Mr P Burr | 2 | 3 |
| Mr P Dale | 1 | 3 |

Review of value for money

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

ORTU FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The accounting officer considers how the 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 Trust has delivered improved value for money during the year by ensuring:

1. All contracts over £10,000 require three competitive quotations.
2. Projects are assessed not just on the cost but the benefit they will bring to the students education.
3. All expenditure is authorised by a member of the Senior Executive Team.
4. A contractual Cross Trust Staff mobility clause means that there is increased efficiency in the use of Human Resources
5. Internal audit undertaken tests to ensure that the authorisation limits and our internal control procedures have been followed. This includes compliance with the Academy Trust Handbook.
6. The statutory accounts of the Trust are subject to external audit

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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 Trust Board has considered the need for a specific internal audit function and has appointed an Internal Auditor (IA), SBM. The IA's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. On a termly basis, the IA reports to the Trust Board on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities.

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

- the work of the internal auditor;
- the work of the external auditor;
- The use of the DfE Integrated Curriculum Financial Planning Tool to benchmark the efficiency of the curriculum offered combined with rigorous systems of performance management
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

ORTU FEDERATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The internal auditor has delivered their schedule of work as planned and there have been no material control issues arising as a result of the internal auditor's work.

Review of effectiveness

As accounting officer, the principal 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 of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the 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 audit committee and a plan to address weaknesses if relevant and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 14 December 2022 and signed on its behalf by:

Mrs G Clark
Chairman

K Sadler
Consulting CEO and Accounting Officer

ORTU FEDERATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Ortu Federation, I have considered my responsibility to notify the 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 academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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

K Sadler
Consulting CEO and Accounting Officer

14 December 2022

ORTU FEDERATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Ortu Federation 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 14 December 2022 and signed on its behalf by:

Mrs G Clark
Chairman

ORTU FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORTU FEDERATION FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Ortu Federation for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 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 break up basis of accounting in the preparation of the financial statements is appropriate.

It has been agreed by the ESFA that the schools within the Ortu Federation will be re-brokered to alternate multi academy trusts during the next academic year.

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report 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.

ORTU FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORTU FEDERATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the Academy Trust's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of noncompliance throughout the audit, we also specifically considered where and how fraud may occur within the Academy Trust.

The potential effect of these laws and regulations on the financial statements varies considerably.

ORTU FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORTU FEDERATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Firstly, the Academy Trust is subject to laws and regulations that directly affect the financial statements, including: the Academy Trust's constitution; relevant financial reporting standards; company law; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective from 1 January 2019); the Academies Accounts Direction 2020-21; and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the Academy Trust is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such

as the Charities Act 2011, the Academy Trust's funding agreement; the requirements of the Academy Trust Handbook 2021; employment legislation; health and safety legislation; safeguarding legislation; the regulatory requirements of the Charity Commission; data protection legislations; anti-bribery and corruption legislation.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular; income recognition, depreciation of tangible fixed assets and the valuation of local government pension scheme deficit;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, and journal entries posted by senior management;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on the Statement of Financial Position and the Balance Sheet includes a number of items selected on a random basis;
- Reviewing the minutes of the meetings of the Governing Body and key sub committees;
- Evaluating internal control and review procedures, and reviewing findings of internal audit reviews;
- Evaluating and documenting internal controls and testing their application by walkthrough.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing noncompliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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.

ORTU FEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORTU FEDERATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

Kate Bell (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

15 December 2022

Chartered Accountants
Statutory Auditor

Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

ORTU FEDERATION

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

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 31 January 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ortu Federation 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 Ortu Federation and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Ortu Federation 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 Ortu Federation and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ortu Federation's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ortu Federation's funding agreement with the Secretary of State for Education dated 24 January 2013 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of the meetings of the Governing Body and key sub committees;
- Evaluating internal control and review procedures, and reviewing findings of internal audit reviews;
- Reviewing action taken as a result of recommendations from internal audit procedures, external audit, and ESFA updates;
- Evaluating and documenting internal controls and testing their application by walkthrough;
- Testing a sample of payments to ensure that they have been authorised in accordance with the Academy's financial procedures and the Academy Trust Handbook.

ORTU FEDERATION

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ORTU FEDERATION 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

Rickard Luckin Limited
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

Dated:

ORTU FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | Unrestricted funds £ | Restricted funds: General £ | Fixed asset £ | Total 2022 £ | Total 2021 £ |
|---|-------|-------------------------|-----------------------------------|------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 24,639 | - | 842,745 | 867,384 | 2,450,591 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 114,245 | 14,560,724 | - | 14,674,969 | 14,436,201 |
| Other trading activities | 5 | 656,046 | - | - | 656,046 | 477,309 |
| Investments | 6 | 468 | - | - | 468 | 366 |
| Total | | 795,398 | 14,560,724 | 842,745 | 16,198,867 | 17,364,467 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 9 | 411,382 | 15,301,799 | 675,423 | 16,388,604 | 15,405,097 |
| Total | 7 | 411,382 | 15,301,799 | 675,423 | 16,388,604 | 15,405,097 |
| Net income/(expenditure) | | 384,016 | (741,075) | 167,322 | (189,737) | 1,959,370 |
| Transfers between funds | 18 | - | - | - | - | 68,833 |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 20 | - | 9,376,000 | - | 9,376,000 | (412,000) |
| Net movement in funds | | 384,016 | 8,634,925 | 167,322 | 9,186,263 | 1,616,203 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 1,777,731 | (9,406,126) | 27,551,871 | 19,923,476 | 18,307,271 |
| Total funds carried forward | | 2,161,747 | (771,201) | 27,719,193 | 29,109,739 | 19,923,474 |

ORTU FEDERATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

| Comparative year information | | Unrestricted | Restricted funds: | | Total |
|---|-------|----------------|-------------------|------------------|-------------------|
| Year ended 31 August 2021 | | funds | General | Fixed asset | 2021 |
| | Notes | £ | £ | £ | £ |
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 31,403 | - | 2,419,188 | 2,450,591 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 85,442 | 14,350,759 | - | 14,436,201 |
| Other trading activities | 5 | 477,309 | - | - | 477,309 |
| Investments | 6 | 366 | - | - | 366 |
| Total | | 594,520 | 14,350,759 | 2,419,188 | 17,364,467 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 9 | 483,676 | 14,277,243 | 644,178 | 15,405,097 |
| Total | 7 | 483,676 | 14,277,243 | 644,178 | 15,405,097 |
| Net income | | 110,844 | 73,516 | 1,775,010 | 1,959,370 |
| Transfers between funds | 18 | 71,638 | (71,638) | 68,833 | 68,833 |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 20 | - | (412,000) | - | (412,000) |
| Net movement in funds | | 182,482 | (410,122) | 1,843,843 | 1,616,203 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 1,595,248 | (8,996,005) | 25,708,028 | 18,307,271 |
| Total funds carried forward | | 1,777,730 | (9,406,127) | 27,551,871 | 19,923,474 |

ORTU FEDERATION

BALANCE SHEET

AS AT 31 AUGUST 2022

| | | 2022 | 2021 |
|---|-------|-------------|--------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Tangible assets | 13 | 27,561,237 | 26,393,862 |
| Current assets | | | |
| Debtors | 14 | 1,015,679 | 1,467,652 |
| Cash at bank and in hand | | 4,124,237 | 3,260,631 |
| | | 5,139,916 | 4,728,283 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 15 | (1,632,811) | (909,068) |
| Net current assets | | 3,507,105 | 3,819,215 |
| Total assets less current liabilities | | 31,068,342 | 30,213,077 |
| Creditors: amounts falling due after more than one year | 16 | (46,603) | (52,603) |
| Net assets before defined benefit pension scheme liability | | 31,021,739 | 30,160,474 |
| Defined benefit pension scheme liability | 20 | (1,912,000) | (10,237,000) |
| Total net assets | | 29,109,739 | 19,923,474 |
| Funds of the academy trust: | | | |
| Restricted funds | 18 | | |
| - Fixed asset funds | | 27,719,193 | 27,551,871 |
| - Restricted income funds | | 1,140,799 | 830,873 |
| - Pension reserve | | (1,912,000) | (10,237,000) |
| Total restricted funds | | 26,947,992 | 18,145,744 |
| Unrestricted income funds | 18 | 2,161,747 | 1,777,730 |
| Total funds | | 29,109,739 | 19,923,474 |

The accounts on pages 25 to 48 were approved by the trustees and authorised for issue on 14 December 2022 and are signed on their behalf by:

Mrs G Clark
Chairman

Company registration number 07660783

ORTU FEDERATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|-------------|------------------|-------------|------------------|
| Cash flows from operating activities | | | | | |
| Net cash provided by operating activities | 23 | | 1,869,188 | | 75,773 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 468 | | 366 | |
| Capital grants from DfE Group | | 842,745 | | 1,086,560 | |
| Capital funding received from sponsors and others | | - | | 1,332,628 | |
| Purchase of tangible fixed assets | | (1,842,795) | | (1,747,747) | |
| Net cash (used in)/provided by investing activities | | | (999,582) | | 671,807 |
| Cash flows from financing activities | | | | | |
| Repayment of other loan | | (6,000) | | (81,177) | |
| Net cash used in financing activities | | | (6,000) | | (81,177) |
| Net increase in cash and cash equivalents in the reporting period | | | 863,606 | | 666,403 |
| Cash and cash equivalents at beginning of the year | | | 3,260,631 | | 2,594,228 |
| Cash and cash equivalents at end of the year | | | <u>4,124,237</u> | | <u>3,260,631</u> |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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 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.

1.2 Going concern

The conversion from a single academy trust to a multi academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

It has been agreed by the ESFA that the schools within the Ortu Federation will be re-brokered to alternate multi academy trusts during the next academic year. As such the assets and liabilities have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the statement of financial activities under charitable expenditure amounts transferred to multi academy trust.

On this basis the accounts have been prepared on the break up basis, where all assets and liabilities have been transferred at realisable values.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

ORTU FEDERATION

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 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 academy trust's accounting policies.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

The academy also acts as agent for Aspirations Dance School (ADS). The trust holds ADS funds in its bank account and assist with maintaining ADS's financial records. The trust does not have control over the funds.

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 academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

ORTU FEDERATION

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/reducing balance] basis over its expected useful life, as follows:

| | |
|--------------------------------|-------------------|
| Land and buildings | 2% straight line |
| Computer equipment | 20% straight line |
| Fixtures, fittings & equipment | 20% straight line |
| Motor vehicles | 20% straight line |

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.

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

Financial assets

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

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

Financial liabilities

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

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

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 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 academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit 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 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 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.

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.

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

(Continued)

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

LGPS

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 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 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.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 842,745 | 842,745 | 2,419,188 |
| Other donations | 24,639 | - | 24,639 | 31,403 |
| | <u>24,639</u> | <u>842,745</u> | <u>867,384</u> | <u>2,450,591</u> |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 12,533,274 | 12,533,274 | 12,281,699 |
| Other DfE/ESFA grants: | | | | |
| - Pupil premium | - | 526,558 | 526,558 | 518,158 |
| - Others | - | 877,051 | 877,051 | 884,070 |
| | - | 13,936,883 | 13,936,883 | 13,683,927 |
| Other government grants | | | | |
| Local authority grants | - | 623,841 | 623,841 | 666,832 |
| Other incoming resources | 114,245 | - | 114,245 | 85,442 |
| Total funding | 114,245 | 14,560,724 | 14,674,969 | 14,436,201 |

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 132,386 | - | 132,386 | 57,299 |
| Catering income | 403,872 | - | 403,872 | 314,393 |
| Music tuition | 7,463 | - | 7,463 | 2,368 |
| Parental contributions | 94,086 | - | 94,086 | 31,993 |
| Other income | 18,239 | - | 18,239 | 71,256 |
| | 656,046 | - | 656,046 | 477,309 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 468 | - | 468 | 366 |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure

| | Staff costs £ | Non-pay expenditure Premises £ | Other £ | Total 2022 £ | Total 2021 £ |
|--|-------------------|--------------------------------------|------------------|--------------------|--------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 9,041,980 | 675,423 | 905,965 | 10,623,368 | 10,689,577 |
| - Allocated support costs | 3,837,876 | 1,008,844 | 918,516 | 5,765,236 | 4,715,520 |
| | <u>12,879,856</u> | <u>1,684,267</u> | <u>1,824,481</u> | <u>16,388,604</u> | <u>15,405,097</u> |
| Net income/(expenditure) for the year includes: | | | | 2022 £ | 2021 £ |
| Fees payable to auditor for: | | | | | |
| - Audit | | | | 29,605 | 29,035 |
| - Other services | | | | 1,550 | 2,850 |
| Depreciation of tangible fixed assets | | | | 675,423 | 644,178 |
| Net interest on defined benefit pension liability | | | | 163,000 | 141,000 |
| | | | | <u> </u> | <u> </u> |

8 Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

9 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Educational operations | 93,143 | 10,530,225 | 10,623,368 | 10,689,577 |
| Support costs | | | | |
| Educational operations | 318,239 | 5,446,997 | 5,765,236 | 4,715,520 |
| | <u>411,382</u> | <u>15,977,222</u> | <u>16,388,604</u> | <u>15,405,097</u> |

ORTU FEDERATION

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

9 Charitable activities (Continued)

| Analysis of costs | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Direct costs | | |
| Teaching and educational support staff costs | 9,061,052 | 9,297,776 |
| Staff development | 29,421 | 16,974 |
| Depreciation | 675,423 | 644,178 |
| Technology costs | 226,134 | 215,651 |
| Educational supplies and services | 123,500 | 80,298 |
| Examination fees | 168,004 | 157,434 |
| Educational consultancy | 211,782 | 151,524 |
| Other direct costs | 128,052 | 125,742 |
| | <u>10,623,368</u> | <u>10,689,577</u> |
| Support costs | | |
| Support staff costs | 3,837,876 | 3,312,539 |
| Recruitment and support | 16,967 | 17,420 |
| Maintenance of premises and equipment | 521,733 | 397,942 |
| Rent, rates and other occupancy costs | 487,111 | 311,389 |
| Catering | 288,008 | 184,773 |
| Finance costs | 163,000 | 141,000 |
| Other support costs | 419,385 | 318,571 |
| Governance costs | 31,156 | 31,886 |
| | <u>5,765,236</u> | <u>4,715,520</u> |

10 Staff

Staff costs

Staff costs during the year were:

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Wages and salaries | 8,951,176 | 9,086,443 |
| Social security costs | 869,854 | 829,071 |
| Pension costs | 2,838,087 | 2,615,792 |
| | <u>12,659,117</u> | <u>12,531,306</u> |
| Staff costs - employees | 12,659,117 | 12,531,306 |
| Agency staff costs | 220,739 | 72,261 |
| | <u>12,879,856</u> | <u>12,603,567</u> |
| Staff development and other staff costs | 48,493 | 23,722 |
| | <u>12,928,349</u> | <u>12,627,289</u> |

The academy trust paid 1 severance payments in the year, disclosed in the following bands:

£25,001 - £50,000

1

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

Staff numbers

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

| | 2022 Number | 2021 Number |
|----------------------------|----------------|----------------|
| Teachers | 128 | 134 |
| Administration and support | 163 | 163 |
| Management | 18 | 22 |
| | <u>309</u> | <u>319</u> |

Higher paid staff

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

| | 2022 Number | 2021 Number |
|---------------------|----------------|----------------|
| £60,001- £70,000 | 22 | 16 |
| £70,001- £80,000 | 5 | 5 |
| £80,001- £90,000 | 4 | 2 |
| £90,001- £100,000 | 3 | 3 |
| £100,001- £110,000 | 1 | 1 |
| £110,001- £120,000 | - | 1 |
| £130,001 - £140,000 | - | 1 |
| £150,001 - £160,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

Key management personnel

The key management personnel of the 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 academy trust was £2,011,410 (2021: £2,039,759).

11 Trustees' remuneration and expenses

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

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

Dr S Asong (CEO):

- Remuneration £155,001 - £160,000 (2021: £150,001-£155,000)
- Employer's pension contributions £35,001 - £40,000 (2021: £35,001-£40,000)

During the year, there were no travel and subsistence payments reimbursed or paid directly to trustees (2021: none).

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5m on any one claim and the cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

| | Land and buildings | Computer equipment | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|-----------------------|-----------------------|--------------------------------------|-------------------|------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2021 | 29,438,670 | 553,672 | 1,092,288 | 6,000 | 31,090,630 |
| Additions | 1,483,455 | 233,748 | 125,592 | - | 1,842,795 |
| At 31 August 2022 | 30,922,125 | 787,420 | 1,217,880 | 6,000 | 32,933,425 |
| Depreciation | | | | | |
| At 1 September 2021 | 3,268,523 | 338,729 | 1,084,716 | 4,800 | 4,696,768 |
| Charge for the year | 529,946 | 60,109 | 84,165 | 1,200 | 675,420 |
| At 31 August 2022 | 3,798,469 | 398,838 | 1,168,881 | 6,000 | 5,372,188 |
| Net book value | | | | | |
| At 31 August 2022 | 27,123,656 | 388,582 | 48,999 | - | 27,561,237 |
| At 31 August 2021 | 26,170,147 | 214,943 | 7,572 | 1,200 | 26,393,862 |

14 Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 759 | 1,864 |
| VAT recoverable | 256,203 | 118,189 |
| Other debtors | 463,807 | 1,081,698 |
| Prepayments and accrued income | 294,910 | 265,901 |
| | 1,015,679 | 1,467,652 |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|----------------|
| Other loans | 24,011 | 24,011 |
| Trade creditors | 521,342 | 47,951 |
| Other taxation and social security | 463,710 | 447,173 |
| Other creditors | 50,105 | 43,283 |
| Accruals and deferred income | 573,643 | 346,650 |
| | <u>1,632,811</u> | <u>909,068</u> |

16 Creditors: amounts falling due after more than one year

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Other loans | 46,603 | 52,603 |
| | <u>46,603</u> | <u>52,603</u> |
| Analysis of loans | 2022 £ | 2021 £ |
| Wholly repayable within five years | 70,614 | 76,614 |
| Less: included in current liabilities | (24,011) | (24,011) |
| | <u>46,603</u> | <u>52,603</u> |
| Amounts included above | <u>46,603</u> | <u>52,603</u> |
| Loan maturity | | |
| Debt due in one year or less | 24,011 | 24,011 |
| Due in more than one year but not more than two years | 22,592 | 24,011 |
| Due in more than two years but not more than five years | - | 4,581 |
| | <u>46,603</u> | <u>52,603</u> |

17 Deferred income

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Deferred income is included within: | | |
| Creditors due within one year | 317,162 | 193,121 |
| | <u>317,162</u> | <u>193,121</u> |
| Deferred income at 1 September 2021 | 193,121 | 127,229 |
| Released from previous years | (193,121) | (127,229) |
| Resources deferred in the year | 317,162 | 193,121 |
| | <u>317,162</u> | <u>193,121</u> |
| Deferred income at 31 August 2022 | <u>317,162</u> | <u>193,121</u> |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Deferred income

(Continued)

At the balance sheet date the Multi-Academy Trust was holding funds received in advance for UIFSM income, and other LEA income.

18 Funds

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 526,011 | 12,533,274 | (12,100,270) | - | 959,015 |
| Other DfE / ESFA grants | 161,087 | 1,403,609 | (1,458,194) | - | 106,502 |
| Other government grants | 143,776 | 623,841 | (692,335) | - | 75,282 |
| Pension reserve | (10,237,000) | - | (1,051,000) | 9,376,000 | (1,912,000) |
| | (9,406,126) | 14,560,724 | (15,301,799) | 9,376,000 | (771,201) |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 27,551,871 | 842,745 | (675,423) | - | 27,719,193 |
| Total restricted funds | 18,145,745 | 15,403,469 | (15,977,222) | 9,376,000 | 26,947,992 |
| Unrestricted funds | | | | | |
| Unrestricted trip | - | 94,086 | (93,143) | - | 943 |
| Unrestricted catering | - | 403,872 | (288,008) | - | 115,864 |
| Unrestricted hire | 146,126 | 132,386 | (1,800) | - | 276,712 |
| Other | 1,631,605 | 165,054 | (28,431) | - | 1,768,228 |
| | 1,777,731 | 795,398 | (411,382) | - | 2,161,747 |
| Total funds | 19,923,476 | 16,198,867 | (16,388,604) | 9,376,000 | 29,109,739 |

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other DfE/ESFA grants: This includes the pupil premium and rates relief.

Other government grants: This includes local authority grants.

The transfer of funds to the fixed asset funds relates to the purchase of fixed assets during the year.

ORTU FEDERATION

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

18 Funds

(Continued)

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

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 50,995 | 12,281,699 | (11,735,046) | (71,638) | 526,010 |
| Other DfE / ESFA grants | - | 1,402,228 | (1,241,142) | - | 161,086 |
| Other government grants | - | 666,832 | (523,055) | - | 143,777 |
| Pension reserve | (9,047,000) | - | (778,000) | (412,000) | (10,237,000) |
| | <u>(8,996,005)</u> | <u>14,350,759</u> | <u>(14,277,243)</u> | <u>(483,638)</u> | <u>(9,406,127)</u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 25,708,028 | 2,419,188 | (644,178) | 68,833 | 27,551,871 |
| | <u>25,708,028</u> | <u>2,419,188</u> | <u>(644,178)</u> | <u>68,833</u> | <u>27,551,871</u> |
| Total restricted funds | <u>16,712,023</u> | <u>16,769,947</u> | <u>(14,921,421)</u> | <u>(414,805)</u> | <u>18,145,744</u> |
| Unrestricted funds | | | | | |
| General funds | 1,557,185 | 248,134 | (27,589) | - | 1,777,730 |
| Unrestricted trip | 11,651 | 31,993 | (115,282) | 71,638 | - |
| Unrestricted catering | 26,412 | 314,393 | (340,805) | - | - |
| | <u>1,595,248</u> | <u>594,520</u> | <u>(483,676)</u> | <u>71,638</u> | <u>1,777,730</u> |
| Total funds | <u>18,307,271</u> | <u>17,364,467</u> | <u>(15,405,097)</u> | <u>(343,167)</u> | <u>19,923,474</u> |

Total funds analysis by academy

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Fund balances at 31 August 2022 were allocated as follows: | | |
| ORTU Gable Hall School | 1,688,344 | 1,510,907 |
| ORTU Corringham Primary School | 1,476,723 | 1,396,847 |
| ORTU Hassenbrook Academy | 137,480 | (299,151) |
| | <u>3,302,547</u> | <u>2,608,603</u> |
| Total before fixed assets fund and pension reserve | 3,302,547 | 2,608,603 |
| Restricted fixed asset fund | 27,719,193 | 27,551,871 |
| Pension reserve | (1,912,000) | (10,237,000) |
| | <u>29,109,739</u> | <u>19,923,474</u> |
| Total funds | <u>29,109,739</u> | <u>19,923,474</u> |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

Total cost analysis by academy

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

| | Teaching and educational support staff £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2022 £ | Total 2021 £ |
|-----------------------------------|---|-----------------------------------|------------------------------|---|--------------------|--------------------|
| ORTU Gable Hall School | 5,327,186 | 1,838,975 | 363,443 | 1,517,049 | 9,046,653 | 8,513,299 |
| ORTU Corringham Primary School | 1,663,758 | 283,096 | 92,897 | 501,963 | 2,541,714 | 2,667,519 |
| ORTU Hassenbrook Academy | 2,051,036 | 827,805 | 140,089 | 730,306 | 3,749,236 | 3,439,100 |
| | <u>9,041,980</u> | <u>2,949,876</u> | <u>596,429</u> | <u>2,749,318</u> | <u>15,337,603</u> | <u>14,619,918</u> |

19 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2022 are represented by: | | | | |
| Tangible fixed assets | - | - | 27,561,237 | 27,561,237 |
| Current assets | 3,841,161 | 1,140,799 | 157,956 | 5,139,916 |
| Current liabilities | (1,632,811) | - | - | (1,632,811) |
| Non-current liabilities | (46,603) | - | - | (46,603) |
| Pension scheme liability | - | (1,912,000) | - | (1,912,000) |
| Total net assets | <u>2,161,747</u> | <u>(771,201)</u> | <u>27,719,193</u> | <u>29,109,739</u> |
| | | | | |
| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | - | - | 26,393,862 | 26,393,862 |
| Current assets | 2,739,401 | 830,873 | 1,158,009 | 4,728,283 |
| Current liabilities | (909,068) | - | - | (909,068) |
| Non-current liabilities | (52,603) | - | - | (52,603) |
| Pension scheme liability | - | (10,237,000) | - | (10,237,000) |
| Total net assets | <u>1,777,730</u> | <u>(9,406,127)</u> | <u>27,551,871</u> | <u>19,923,474</u> |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

The 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 Essex County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 2016.

Contributions amounting to £nil were payable to the schemes at 31 August 2022 (2021: £158,785) 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 academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,642,527 (2021: £ 885,000).

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 academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 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 25% for employers and 5.5% to 12.5% for employees.

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 £ |
|--------------------------|-----------|-----------|
| Employer's contributions | 618,000 | 553,000 |
| Employees' contributions | 158,000 | 146,000 |
| Total contributions | 776,000 | 699,000 |

| Principal actuarial assumptions | 2022 % | 2021 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.95 | 3.9 |
| Rate of increase for pensions in payment/inflation | 2.95 | 2.9 |
| Discount rate for scheme liabilities | 4.25 | 1.65 |

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

| | 2022 Years | 2021 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 21.0 | 21.6 |
| - Females | 23.5 | 23.6 |
| Retiring in 20 years | | |
| - Males | 22.3 | 22.9 |
| - Females | 24.9 | 25.1 |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

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

| | +0.1% | 0.0% | -0.1% |
|------------------------------------|-------------|-------------|-------------|
| Adjustment to discount rate | £000 | £000 | £000 |
| Present value of total obligation | 11,567 | 11,841 | 12,122 |
| Projected service cost | 617 | 639 | 662 |

| | +0.1% | 0.0% | -0.1% |
|--|-------------|-------------|-------------|
| Adjustment to long term salary increase | £000 | £000 | £000 |
| Present value of total obligation | 11,860 | 11,841 | 11,822 |
| Projected service cost | 640 | 639 | 639 |

| | +0.1% | 0.0% | -0.1% |
|---|-------------|-------------|-------------|
| Adjustment to pension increases and deferred revaluation | £000 | £000 | £000 |
| Present value of total obligation | 12,107 | 11,841 | 11,581 |
| Projected service cost | 663 | 639 | 616 |

| | +1 Year | None | -1 Year |
|--|-------------|-------------|-------------|
| Adjustment to life expectancy assumptions | £000 | £000 | £000 |
| Present value of total obligation | 12,190 | 11,841 | 11,502 |
| Projected service cost | 662 | 639 | 617 |

| Defined benefit pension scheme net liability | 2022 | 2021 |
|---|--------------|--------------|
| | £ | £ |
| Scheme assets | 9,929,000 | 9,308,000 |
| Scheme obligations | (11,841,000) | (19,545,000) |
| Net liability | (1,912,000) | (10,237,000) |

| The academy trust's share of the assets in the scheme | 2022 | 2021 |
|--|-------------------|-------------------|
| | Fair value | Fair value |
| | £ | £ |
| Equities | 5,589,000 | 5,957,000 |
| Other bonds | 439,000 | 433,000 |
| Gilts | 191,000 | 235,000 |
| Cash | 297,000 | 259,000 |
| Property | 939,000 | 650,000 |
| Other assets | 2,474,000 | 1,774,000 |
| Total market value of assets | 9,929,000 | 9,308,000 |

The actual return on scheme assets was £21,000 (2021: £1,691,000).

ORTU FEDERATION

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

| 20 Pension and similar obligations | | (Continued) |
|---|-------------------|-------------------|
| Amount recognised in the statement of financial activities | 2022 £ | 2021 £ |
| Current service cost | 1,506,000 | 1,190,000 |
| Interest cost | 163,000 | 141,000 |
| Total operating charge | <u>1,669,000</u> | <u>1,331,000</u> |
| Changes in the present value of defined benefit obligations | 2022 £ | 2021 £ |
| At 1 September 2021 | 19,545,000 | 16,182,000 |
| Current service cost | 1,502,000 | 1,185,000 |
| Interest cost | 322,000 | 260,000 |
| Employee contributions | 158,000 | 146,000 |
| Actuarial (gain)/loss | (9,510,000) | 1,989,000 |
| Benefits paid | (176,000) | (217,000) |
| At 31 August 2022 | <u>11,841,000</u> | <u>19,545,000</u> |
| Changes in the fair value of the academy trust's share of scheme assets | 2022 £ | 2021 £ |
| At 1 September 2021 | 9,308,000 | 7,135,000 |
| Interest income | 159,000 | 119,000 |
| Actuarial loss/(gain) | (138,000) | 1,572,000 |
| Employer contributions | 618,000 | 553,000 |
| Employee contributions | 158,000 | 146,000 |
| Benefits paid | (176,000) | (217,000) |
| At 31 August 2022 | <u>9,929,000</u> | <u>9,308,000</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 is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families 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 serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

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

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Long-term commitments

Operating leases

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

| | 2022 £ | 2021 £ |
|-----------------------------------|--------------|---------------|
| Amounts due within one year | 8,510 | 11,771 |
| Amounts due in two and five years | - | 1,189 |
| | <u>8,510</u> | <u>12,960</u> |

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

| | 2022 £ | 2021 £ |
|--|-------------------------|----------------------|
| Net (expenditure)/income for the reporting period (as per the statement of financial activities) | (189,737) | 2,028,203 |
| Adjusted for: | | |
| Capital grants from DfE and other capital income | (842,746) | (2,419,188) |
| Investment income receivable | (468) | (366) |
| Defined benefit pension costs less contributions payable | 888,000 | 637,000 |
| Defined benefit pension scheme finance cost | 163,000 | 141,000 |
| Depreciation of tangible fixed assets | 675,423 | 644,178 |
| Decrease/(increase) in debtors | 451,973 | (823,618) |
| Increase/(decrease) in creditors | 723,743 | (131,436) |
| Net cash provided by operating activities | <u>1,869,188</u> | <u>75,773</u> |

24 Analysis of changes in net funds

| | 1 September 2021 £ | Cash flows 31 August 2022 £ | |
|--|--------------------------|--------------------------------|------------------|
| Cash | 3,260,631 | 863,606 | 4,124,237 |
| Loans falling due within one year | (24,011) | - | (24,011) |
| Loans falling due after more than one year | (52,603) | 6,000 | (46,603) |
| | <u>3,184,017</u> | <u>869,606</u> | <u>4,053,623</u> |

ORTU FEDERATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Related party transactions

Owing to the nature of the 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 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 academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the financial period.

26 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.

27 Agency arrangements

During the year the school acted as agents for Aspirations Dance School (ADS). The academy had a bought forward balance of £14,273 relating to undistributed funds. During the year the academy received an additional £16,269 which was added to the funds balance and distributed £22,864 from the fund. An amount of £(7,668) is included in other creditors relating to the undistributed funds.

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2022 the trust received £11,627 and distributed £8,890 from the fund with £6,461 of funds brought forward from prior years. An amount of £9,078 is included in other creditors relating to undistributed funds that are repayable to the ESFA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.