

Registered Company Number: 00912265 (England and Wales)
Registered Charity Number: 310481

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Governors	J A Davison, BA Hons, Chair S Clark, BSc, FRICS, ACI Arb B Cooper, MA, PGCE P J Evans, BA Hons, LTCL, PGCE A Leyshon, BA Hons, ACA (resigned 23 June 2023) R A S Mallinson, BSc, LLB A A Melrose, CA (SA) C W Symes, BSc, MAEd, MCGI, PGCE F Stack, MA ED(open), BA Hons, PGCE, Mont Dip (resigned 23 June 2023) R Bhoola K Prest T Sexton O Asplin Hearsey (appointed 23 November 2022) W R Davidson (appointed 23 November 2022) K C Lawson (appointed 23 November 2022) T R Pasco (appointed 23 November 2022) A J Gwyther-Sandover (appointed 23 November 2022) J Piper (appointed 11 March 2023) P Marshall (appointed 23 June 2023)
Company registered number	00912265
Charity registered number	310481
Registered office	Orwell Park School Nacton Ipswich Suffolk IP10 0ER
Independent auditor	MHA Colchester Business Park 910 The Crescent Colchester Essex C04 9YQ
Bankers	Barclays Bank PLC 1 Princes Street Ipswich Suffolk IP5 7RF
Solicitors	Barker Gotelee 41c Barrack Square Martlesham Ipswich Suffolk IP5 7RF

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their annual report together with the audited financial statements of the Orwell Park School Educational Trust Limited for the year ended 31 August 2023. The Annual Report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, governance and management

a. Governing document

The School is governed by its Memorandum of Association dated 2 August 1967 and its Articles of Association approved on 7 September 2007.

b. Governing Body

The Governors are elected at a full Governors' meeting in accordance with the Articles of Association of the Company. Governors are appointed for a term of three years with Governors retiring by rotation, with the option of being able to be reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the existing Governor is put to the meeting and lost. Governors are appointed on the recommendation of not less than three Governors. On appointment, new Governors receive an induction pack from the School setting out their responsibilities. Additionally they attend a formal interview explaining Board policy and procedure.

The School is a member of AGBIS, an organisation that provides training for Governors of schools and advice on corporate governance. New Governors are invited to attend seminars as part of their induction process. DBS and Governor eligibility checks are made. Training is provided on a regular basis in areas such as Governor responsibilities.

New nominations and reappointments are based on personal competence, independence of character, judgement and specialist skills and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Governors' judgement.

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, error or omissions occurring whilst on School business. The insurance providers cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2023 is included in the total insurance cost.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

c. Organisational Management

The Governors meet as a Board at least once per term to determine the general policy of the School and review its overall management, for which they are legally responsible. At the end of the academic year, the Board comprised seventeen members drawn from a wide range of backgrounds in the educational, financial, legal and property. The day-to-day management of the School is delegated to the Headmaster and the Bursar.

Certain financial responsibilities, including reporting actual results against budget and latest estimate, the presentation of the annual budget and approvals for capital expenditure are delegated by the Board to the Finance, Audit and General Purposes Committee (FAGP). The Committee comprises Board members with specialist knowledge of financial and legal issues and has been chaired by Mr Oliver Asplin-Hearsey from 16th June 2023, prior to this Mrs A Leyshon was chair from 1st September 2022. Meetings, at which the Headmaster and Bursar are present, are normally held once a term, prior to the Board meeting.

Other principal committees through which powers are delegated by the Board are Education, Safeguarding and Welfare Committees; supporting committees are Data and Information Technology, Marketing, Health and Safety, Pastoral, Nomination, and Remuneration. During the last year a new committee, the Vision and Strategy committee was introduced to provide support to the marketing, communications and admissions efforts of the School, the committee is chaired by a governor with experience of marketing and communications.

The current systems and structures for governance at Orwell Park School reflect the determination of the Board to give greater emphasis to safeguarding in order to continue to provide the very highest levels of pastoral care within the School. Governors continue to chair the principal committees and senior school staff chair the supporting committees all of which will be attended by the Headmaster and/or Bursar; supporting subcommittees will report to the principal committees as outlined in the Governance Paper.

d. Group Structure

The School has a wholly-owned non-charitable trading subsidiary, Events at Orwell Park Limited. The company was dormant throughout the year to 31 August 2023, and the results of this entity are not included within these financial statements.

e. Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the Governors will ordinarily benchmark against pay levels in other independent schools of a similar size, run on a similar basis. The remuneration bench-mark is the mid to high point of the range paid for similar roles. If recruitment has proven difficult in the recent past a market addition is also paid.

f. Risk Management

The Governors examine regularly the major risks that the School faces. Risks are identified and assessed and controls are established to mitigate those risks. During the year the governing body have continued to highlight 12 strategic risk factors as well as 20 operational risk factors managed in more detail by the senior management team of the School. Risks are kept under regular review and a periodic risk management report is made to the Board via the respective principal committees.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

School risk management work includes mitigations against the financial challenges to the school in the near and medium terms; during the year the financial and market challenges remained.

The School operates a Health and Safety policy and plan which sets out the responsibilities of each individual member of staff to work safely. This requirement is included in the job description and annual objectives of all staff. A specialist consultant in H&S is retained and visits bi-monthly; a range of specialist contractors are retained to advise the School in their respective areas like legionella and water hygiene, asbestos, electrical testing, safeguarding and fire regulations.

The major risks to the School involve the safety and security of the children and staff in its care. The School has up to date fire risk assessments and fire evacuation procedures. Fire practices take place during each term and are designed to familiarise children and staff on how to evacuate the building in a safe and orderly manner. Investment in major safety systems of the School has been completed in recent years; gas safety and legionella safety arrangements have been the main beneficiaries in the year in question. Improvements have also included installation of a fire suppression system in the kitchen, improvements to all fire doors in the Mansion (containing the boarding house), including new hinges and door closure systems. Installation of a new fire alarm system was completed; the School now has a level 1 fire alarm system throughout representing the highest capability of alarm system; this is a major achievement and a significant contribution to establishing a safe system for the School.

The School has installed closed circuit television and an internal security system which is designed to ensure that third party users of the building have their access restricted to only those parts of the building where children are not present and, if present, only when they are fully supervised. The CCTV system is subject to an annual service and maintenance contract and components are upgraded or replaced on an annual basis. The entire site is secured at night.

The School takes very seriously its responsibility to protect against Legionella, recognising the impact an outbreak would have. To ensure compliance with current legislation governing Legionella, the School utilises the services of an outside contractor to advise on the risk assessment and management plan for water hygiene and carry out Legionella tests once a month. The additional work referred to above included installation of a new filter system on the mains water supply and a water treatment system to ensure effective management of any potential pathogens in the water. All results are reported in duplicate in line with current legislation. Any issues that are found are dealt with in a timely manner by the maintenance manager and signed off by the contractor on the next visit.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, Aims and Principal Activities

a. Objective and aims

The objective of the School, in accordance with its Memorandum of Association, is the advancement of education, including the provision of boarding and day schooling for children of both sexes up to the age of thirteen.

Orwell Park is a long-established co-educational prep school for day pupils and boarders. The outstanding beauty of the grounds and the historic buildings contribute to an inspiring experience which combines the legacy and traditions of the past with the dynamism and energy of the present and the future. Boys and girls are given every opportunity to be the best they can be, both in and outside the classroom. High expectations and learning strategies tailored to the individual child, lead to high levels of attainment.

Academic achievement and pastoral care are given top priority. The School community has identified five core values under the overarching value of integrity: kindness, collaboration, courage, spirit and respect. The School Children are encouraged to take on challenges, to overcome setbacks and to see failure as part of the journey to success, to develop the resilience, initiative, flexibility, creativity and collaborative skills that will prepare them for the next stage of their education and later life.

At Orwell Park, pupils develop a balanced sense of themselves and a quiet confidence in their interactions with others.

Aims:

- To provide for all pupils an academically challenging, inspiring and fulfilling experience.
- To offer an all-round education in which happy and purposeful children can grow in confidence and self-esteem.
- To encourage children to persevere when confronted with obstacles and to understand that they can develop their abilities through dedication and application.
- To create a caring, trusting and supportive environment in which children show respect for each other and their environment.
- To excite, engage and challenge each child, motivating them to explore and develop a lifelong love of learning, supported by teachers who are passionate about their subject and are themselves lifelong learners.
- To offer all children the benefits of a school with a boarding ethos, encouraging independence, tolerance and responsibility.
- To develop in each child an increasing sense of self-reliance as they prepare for senior school, being able to question, think and work independently.
- To give each child an awareness of and an engagement with the outside world and the needs of others.

The Governors present their Strategic Report for 2022-23, containing a review of achievements and performance, and a financial review.

Achievements and Performance

a. Results following external examinations

All Year 8 achieved entry to their chosen senior school with a 100% pass rate at CE. Year 8 pupils were awarded 24 scholarships, a commendable achievement when some senior schools postponed scholarship assessments until Year 9. Scholarship awards were as follows: 6 Academic, 2 All rounder/General, 11 Sport, 3 Drama, 2 DT.

Pupils went on to 22 different schools (similar to most years) and around 85% of our pupils went to national

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Achievements and Performance (continued)

boarding schools.

b. ISI Regulatory Compliance

An ISI Regulatory Compliance Inspection took place in June 2018, all standards were met in full and a pass was therefore achieved. A full copy of the Report (which is not subject to grading) is available on the School's website at www.orwellpark.co.uk.

An ISI Focused Compliance and Educational Quality Inspection took place in September 2022, all standards were met in full and the quality of pupils academic achievement was assessed as excellent; the quality of pupils personal development was also assessed as excellent. A full copy of the Report is available on the School's website at www.orwellpark.co.uk.

c. Facilities

The programme of maintenance, refurbishment and development of School buildings and premises has been curtailed due to the financial effects of Covid-19. A range of small-scale improvements have been completed. Planning for the development of the School has continued; the master plan for the development of the School estate will be reviewed and updated in the new academic year. In support of the School's aim to attract and retain the very best staff, staff accommodation continues to be improved; 1 staff House and 1 staff apartment have been refurbished during the year.

d. Safeguarding of Children

The Governors continue to give the highest priority to the safety and security of the children within the School. The pastoral care of children is also considered paramount. The governor led Safeguarding and Welfare Committee has maintained a focus on this area during the year. The School has also retained the services of a specialist in safeguarding to provide advice on best practice. Pastoral agendas within the School have also been advanced by ever closer relationships with local service providers, support networks, local specialists and training providers. The school continued its partnership with HUDDL; a local provider of knowledge, advice and training on pastoral matters. Events are arranged regularly to inform and update parents on matters affecting young people and current trends in society.

The Health and Safety Committee, with regular meetings, continues to focus its efforts on areas that affect the safety, security and well-being of children and staff.

The School has developed a robust approach to the recruitment and vetting of staff for all posts; consistent application of this approach is given the highest priority; this is supported by the employment of an in house HR and Compliance Administrator on a part time basis as well as the retention of a local HR service provider who are experienced in the education sector; these arrangements contribute significantly to the overall system for ensuring the safeguarding of children in school.

In addition, a local safeguarding consultant is retained to provide timely, contemporaneous advice on safeguarding and a system of regular visits and training for the in house team is in place, as well as provision of independent support to Governors in this technical area. The same expert also conducts an annual survey of safeguarding arrangements and the report is provided to the Headmaster and Governors to allow reflection and further improvement as required.

The Safeguarding and Welfare Committee meets once per term to consider and improve wherever possible the arrangements for the care and protection of children. To support the aspirations of the Headmaster and Governors that the School should be demonstrating leading standards within the sector, thus setting the highest

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Achievements and Performance (continued)

standards of pastoral care and safeguarding.

Future plans

a. Curriculum related activities

The Headmaster and senior staff continue to review the curriculum and co-curriculum activities to ensure it is of market leading quality. In accordance with its charitable objectives the School will continue to provide a high quality blend of contemporary and classical education for its pupils who are aged 2 to 14. The School will continue to be innovative with its curriculum using ongoing feedback on its curriculum review and input from sector specialists.

b. Strategic development plan

The Governors intend to continue their current strategies of maintaining the school's position in a competitive market by investing to provide high quality education for our pupils.

The governors and school leaders have continued to develop the SDP and align it with the Governors' aspirations for the School and the Trust's charitable objects. The SDP contains an updated ethos, vision and mission for the School supported by a strategic action plan within which there are currently 6 strategic cornerstones. Each cornerstone has been accorded an outline action plan and an objective leader appointed from the senior management team of the School. Prominent within the plan are objectives and activities to support teaching and learning, pastoral care of pupils and leadership and management. Changes in the SDP take place in response to fresh requirements, evolving educational priorities and the social and economic context.

It is intended that the estates elements of the SDP will benefit when investment resources are identified. Improvements within the Boarding house have been completed; all dormitories have been refurbished to a high common standard and an additional dormitory has been added to the Girls Boarding House. It is intended to start the refurbishment of bathrooms within the Boarding House in due course. The governors of the School have set out plans for the further development of the School facilities as funding becomes available; funding may include donations by interested individuals or general fundraising campaigns and links with the Orwell Park Foundation.

c. Development of the Governing Body and the appointment of new Governors

New Governors will be sought to replace Governors who retire and ensure that the Governing Body has the range and balance of skills, experience and qualities needed. The Board has delegated the recruitment of new Governors to a Nominations Committee, chaired by the Chairman of the Board and comprising not less than three other Governors. The Nominations Committee responsibilities include succession planning, regular reviews of the expertise needed and the process whereby potential new Governors are recommended to the Governing Body. The appointment of a Governor is a Governing Body decision.

Public Benefit

a. Fees and fee assistance

The school is committed to maintaining "affordability" as a key factor in determining the school budget, fee increases are subject to prolonged discussion by Governors during the budget process and are normally set at a level below the local and national average for fee increases.

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The annual school budget included a spend of approximately £600k on school discounts which is over 14% of fee related income; this supports entry to school for families who require assistance and is a sector leading performance.

Sport:

The School organised and hosted an U9 cricket club festival in June and has made arrangements for a local sixth form college, Suffolk One to use the Assault Course from September 2022. The School also introduced a range of sports camps which are open to all.

Art:

Artists have provided talks, workshops and competitions for the pupils at OPS. Unfortunately, we were unable to hold our bi-annual exhibition 'the Open Art Exhibition'; exhibitions will be re-started in the next academic year. This is a three/four week exhibition of art, craft and design. Exhibitors must have a connection to the school in some way, for example teachers, parents, extended family, other employees, former pupils etc. Ordinarily, pupils see and get to meet local artists and appreciate the role of the Arts in people's lives across a range of disciplines from amateur to professional artists via the workshops, exhibitions and talks. When we have a selling exhibition of Art in the Alston room, a percentage of money raised (10 - 20%) is donated to the annual school's three charities.

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GOVERNORS' REPORT (CONTINUED)
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Music:

At the start of the school year, the music department arranges two church Services which involve the pupils of the school; the income generated supports the School's three chosen charities and a local hospice. Two Harvest Festival services, Prep and Pre-Prep, are held in St Martin's Church, Nacton. The children bring in a variety of produce for the service, which is later taken to the East Anglian Childrens' Hospice, and also to the Food Bank - FIND.

Both the Chapel Choir and the Pre-Prep Choir have sung at the Foxhall Lavender Day Centre. There are several occasions throughout the year when Orwell Park interacts with the local community in a variety of concerts and services. There is the Autumn Concert (involving the Choral Society), the Choral Society , the Choral Society Harvest Festival at Hemley and the Choral Society Nacton Service. Orwell Park hosts many musical events and it is widely known as an excellent centre to host the Associated Board Exams and we have a good link with local schools. The chapel choir have also performed at St Mary's Abchurch in London for an invited audience to raise funds for the School's nominated charities.

Local Primary schools are also invited to attend concerts, workshops and play productions each year. The chapel choir will be singing carols at the Foxhall Lavender Day Care centre again in December, as well as the new Old Orwellian Carol service and Advent services where funds are raised for our nominated charities.

b. Activities

The pupils of Orwell Park are involved in various Community Service Activities. These form part of a carousel of activities for the Middle School pupils. These activities include caring for the local environment, shore tidy up, church cleaning and charity fundraising. During the year the pupils started an Eco-Committee and also ran an Eco Fayre which was Open to school community and a variety of outside retailers.

School co-curricular activities also include provision of a chess club and chess lessons for pupils. A chess tournament was organised and hosted by the School; local state schools were invited to participate in the tournament. The event was hosted over the best part of a Saturday with over 70 pupils experiencing the environment of friendly yet competitive chess; facilities and refreshments were provided and parents were also hosted during the competition.

The local state primary school expressed an interest in using the School woodland and outdoor classroom for its Forest Schools programme. Initial work has been completed to facilitate this and a visit and lesson was completed; it is intended to make the use more regular in the next academic year.

c. Other Public Activities

The School allows access to the community to the River Orwell estuary foreshore via a permissive path and allows mass use of the path annually to support the annual Orwell Walk (a 25 mile challenge route from Ipswich to Felixstowe and into the surrounding countryside) which also raises funds for local charitable causes.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The School maintains a very close relationship with the Parish Church and contributes on a monthly basis to the church collection by direct debit; total contributions sum to over £2,400 pa. The School also hosts the church choir for its meetings and practices and allows use of the school site for carparking for large scale church events and Sunday morning services. A member of the school leadership team attends parish Council meetings and contributes to the agenda.

d. Fundraising

Charities (of local, national and international character) are chosen by the pupils on an annual basis, with a variety of fundraising events taking place throughout the year; last year the pupils decided to fundraise for 4YP, Barnardos and Save the Rhino; £4,036 was raised for these causes and this was divided between the three. On top of this we raised a further £1,345 for the Disasters Emergency Committee (DEC) in response to the war in Ukraine. In the past fundraising events have included a sponsored swim, a Music-athon, an Eco Fayre and a fashion show. The pupils organise an annual Christmas Fayre. The main purpose of such events is to engage the participants in a challenge to test their abilities whilst having fun and, to draw their attention to these important causes. Many of these events have been open to the community to join in. Representatives from the chosen charities make every effort to engage with the school community throughout the year.

e. Other Donations

The School also makes donations annually to guide dogs for the blind. The School makes an annual donation to the Royal National Children's Foundation of approximately £4,000.

f. Use of the School by Community Groups

The Astronomical Society uses the School Observatory for their activities throughout the year on a weekly basis, they have almost exclusive use of this facility free of charge. The group's aims are the furtherance of Astronomy in the Community; a range of local schools are invited to visit and use the facilities including 2 telescopes in pursuit of the aims and objectives; the School supports the use of open days by the Astronomical society to help publicise its aims and objectives and bring astronomy to a broader audience. The Felixstowe Radio Club used the School for the pursuance of the study of radio communications. The club use the School facilities on approximately 20 occasions during the year on a cost only basis (to cover the use of utilities). The School provides the base for the Choral Society which use the school music department for practice and social gatherings.

g. Use of the School by Other Educational Organisations

The School refurbished a dilapidated building within the grounds thus making it fit to lease to an organisation offering Therapeutic Alternative Provision called PLOT, it is based in the Eastern part of the estate and operates from a former staff bungalow and gardens front and back. The building offers a suitable base to deliver support to vulnerable children. The facility also includes the use of a workshop for vocational skills for older children. PLOT have completed their second year of operations at the Buck House. A range of outdoor facilities were used and these have been improved including the adjacent woodland (a woodland obstacle course has been erected by PLOT and the woodland has been maintained). The organisation reported that use of the facilities and access to the outdoor amenities had a very positive effect on the children in their care and that this helped with the positive outcomes achieved for the children.

Negotiations are taking place to hopefully secure a long-term lease for the future to support the relationship with PLOT and ensure that the organisation can continue to provide support to vulnerable children.

h. Use of the School by Other Charities

The School continues to work with the Desert Rats Association to commemorate the 7th Armoured Division (22nd Armoured Brigade) in the Second World War. The Brigade were stationed at the School site in 1944 and participated in the D-Day landings. The School hosts an annual commemoration event for veterans and the Association membership which forms part of its national programme to provide support to veterans and their families, provide educational experiences to improve awareness and also ensure appropriate reflection is undertaken upon the sacrifice of previous generations and those in service to our country.

i. Conservation and Heritage

The School is located on a site of historical significance and contains parkland which is of regional importance; the overall area is approximately 110 acres. The School site is within an Area of Outstanding Natural Beauty and the School works with local planning and conservation authorities to maintain the site to preserve these important features. Work has included cooperation with Natural England to allow continued access to the foreshore via a permissive path as part of its national strategies for the England coastal path and open access.

The School's buildings are also architecturally significant and have grade 2 listing. Expenditure on the maintenance of the buildings and parkland has increased in recent years and exceeds £500,000 pa. Recent work has included the refurbishment of the glass domes in the Mansion Building; several window frames have also been refurbished.

The Victorian Ice House in the grounds near the Buck House was preserved in accordance with guidance from the Conservation Officer; this involved the removal of rubbish and infill of the structure using a sympathetic (to the structure of the Ice House) combination of sand and fine top soil. Prior to being encapsulated the Ice House site was visited by local conservation Officers and a national expert in Ice Houses who were able to record the details of the structure and produce reports for the historical record.

In order to better plan for the preservation of the site and consider its improvement for school purposes a research study project by a professional conservationist was commissioned; Orwell Park Nacton: Historic Area Appraisal. The study identifies the history of the site and the original parkland, the significant building developments and design, architectural features and the design principles that were followed and thus are important when planning the future of the site. The study focusses on the original area of the Orwell Park which precedes the School's occupation and is over twice the size of the existing footprint and includes much of the surrounding farmland and areas of the village of Nacton.

The School Foundation have funded the publication of a book "Orwell Park School: A celebration of 150 years". The publication contains material on the history of the buildings and parkland and also serves as a record of the site.

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GOVERNORS' REPORT (CONTINUED)
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Future plans and strategic planning

Our future plans are financed primarily from fee income and existing resources.

Links with the Orwell Park School Foundation

The School works closely with the Orwell Park Foundation; the Foundation is a separate though linked charitable organisation. The Foundation raises funds for a number of activities including heritage, conservation and will develop these activities as well as increasing access to the school by subsidising bursaries. The Foundation has embarked on a development plan; a key component of this is to attract donations and legacies to support increased support for bursaries and scholarships thus preserving accessibility to high quality education as well as major heritage projects like maintenance of the Observatory. The Foundation has enjoyed success in the last year in obtaining several donations and pledges to support its fundraising aims. The Foundation will lead on the fundraising campaign for the bursary endowment fund and other facilities related projects.

Strategic report

Overview of performance

The School continues to provide an enjoyable, supportive yet challenging, educational experience for its pupils, who achieve consistently high results in academic, artistic, sporting and all round endeavours. Throughout the pupils' experience at School they are supported by a talented and committed staff containing several nationally recognised practitioners. The School is able to offer individual coaching support in its major sports, the arts and academic areas. Feedback from the successor schools remains extremely positive, often commending Old Orwellians for their zest for opportunity in comparison with others; a disproportionately high number of appointments to posts of head boys and girls in celebrated public schools would also support this anecdotal evidence.

The School continues to provide opportunities for pupils to experience a wider world. Educational agendas around the Global Citizen have been supported by remote learning supporting shared classes in particular in Classics and reciprocal residential visits with Mayo College in India as well as a full range of school trips within the UK and Europe.

Orwell continued to strive and maintain the importance of physical activity. The School organised and ran a full schedule of fixtures with other schools as well as a range of internal, inter house competitions with boys and girls playing mixed sport for the first time. This included hockey, football, netball and touch rugby. Fixtures are played on a weekly basis, and the School produced victorious teams in many age groups; importantly every pupil at Orwell park gets to represent their school in sports as well as performing arts should they so desire.

The number of pupils that board has been maintained at a high number compared to other schools due to our excellent boarding facilities, as well as the full programme of highly enjoyable boarding activities. Overall, pupil numbers continued to rise through the year finishing at 268 in the Summer term, reflecting the success of the School's offer. The sense of space within the School's classical yet magical setting ensures that the pupils enjoy a highly personal experience of learning.

The financial deficit recognised in the financial year ended 31 August 2023 has led to a breach of banking covenants. The Governors have concluded that these circumstances give rise to a material uncertainty which may cast significant doubt on the School's ability to continue as a going concern. However, the Governors are actively working to reverse this trend and mitigate the associated risks and have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and they can continue to adopt the going concern basis in preparing the annual report. Further details can be found in note 2.2 on Going Concern.

The new headmaster, Mr Guy Musson, who started in September 2023, has already made significant strides in this regard. Several measures have been implemented in his first year, including:

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Strategic report (continued)

- Withdrawal from the Teachers' Pension Scheme (TPS) for all staff, effective 1 April 2024. This will be replaced by a defined benefit scheme with contributions of 14%, significantly lower than the current TPS rate of 28.68%.
- Launch of a new Residential Summer School alongside a Day Activity Camp for local pupils.
- Reduction in discounts, bursaries, and scholarships awarded.
- A stricter policy towards debtors, including denying access to the school for non-payment of fees.
- Expansion into new markets and partnerships to increase pupil numbers, including a new relationship with an independent school in Chengdu, China, complementing the existing partnership with Mayo College in India.
- Reorganisation of the school structure: from September 2024, the school will transition from three main sections (Pre-Prep, Middle School, and Senior Prep) to two sections – the Lower School (Nursery to Year 4) and Upper Prep (Years 5 to 8). This change is expected to create a more cohesive approach across the school and result in staffing efficiencies at the senior level

Efforts to improve the school's finances are ongoing, focusing on both cost efficiencies and identifying areas requiring investment. The Headmaster is supported by the new Bursar, who began in March 2024. The financial results for 2023-24 are currently forecast to make a small surplus.

The potential challenges posed by a possible change in government in the UK, particularly policies aimed at removing tax breaks for private schools, are currently being modelled as part of the budget preparation for 2024-25.

Financial review

a. Results for the year

The net expenditure before revaluation gains/losses for the year was £522,479 (2022 - net expenditure of £136,392). During the year total income amounted to £4,398,553 (2022 - £4,511,845) and the expenditure totalled £4,921,032 (2022 - £4,648,237).

There has been decrease in income of approximately £100,000 compared to last year. Income from charitable activities decreased in current year.

b. Investment Powers and Policy

The School is given wide powers of investment under its Memorandum and Articles of Association. However, the policy of the Governors is to ensure that any retained reserves are reinvested in the business.

c. Connected Charity

The School is connected to The Orwell Park School Foundation through common control and a shared objective to provide advancement of education. The Foundation is an independent charity (registered number 1070488) with the object of raising funds for the School. As at 31 August 2023 the Foundation held £1,277 in funds within its accounts that are owed to the School (2022 -£78,295).

d. Reserves Policy

Note 23 to the financial statements sets out the reserves of the School. The Governors have designated funds to represent fixed assets held for charitable purposes which at the year-end totalled £4,402,173 (2022 - £4,372,681) together with a revaluation reserve of £2,738,329 (2022 - £2,738,329).

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

The total fund balance held at 31 August 2023 was £4,797,015 (2022 - £5,319,494). Restricted funds were held as at 31 August 2023 of £3,668 (2022 - £3,668). See Note 24 for further detail on these funds.

The Governors continue to keep the secured overdraft facility under review to ensure that in the absence of free reserves, it remains adequate to cover the School's working capital requirements; the policy of the Governors is to maintain reserves at a level that is sufficient to allow the School to continue to operate as a going concern for the foreseeable future. There is an increase in the value of the general fund as at 31 August 2023. This is as a result of the investment in fixed assets reflected in an increase in value as verified by an independent valuation which took place in July 2022. The Governors do not feel that this gives any cause for concern and are confident that this fund will return to a positive balance.

e. Fixed Assets


In the opinion of the Governors, the value of the School's freehold properties is significantly in excess of previous book values. The main School building and grounds are included in the balance sheet at market value. A valuation of the Trust was completed in 2017 after a number of measured surveys of the buildings; the valuation was repeated in July 2022 and the overall value on the estate increased to approximately £6.6 million (from £5.3 million in 2017).

The buildings are currently insured for £36,442,685 with a further £2,415,064 of cover for the building contents including IT equipment.

Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the school's independent auditor changed from MHA MacIntyre Hudson to MHA.

Approved by order of the members of the board of Governors and signed on their behalf by:



.....
J A Davison, BA Hons

Chair

Date: 31 May 2024

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors (who are also the directors of the School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

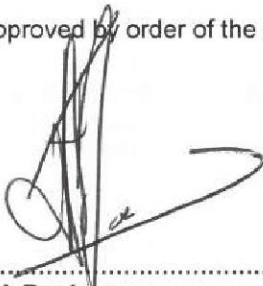
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable Company's auditor is unaware; and
- the Governors 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.

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



.....
J A Davison
Chair

Date: 31 May 2024

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Orwell Park School Educational Trust Limited (the 'School') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2023, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the School in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the Governors' assessment of the current and future effects of the economic climate on the School and the implications on its ability to continue as a going concern and the steps the Governors are taking to mitigate the risk. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the School's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Governors' Annual Report other than the financial statements and our Auditor's Report thereon. The Governors are responsible for the other information contained within the Governors' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Governors' Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included with the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the School and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the Directors of the School for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the School'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 Governors either intend to liquidate the School or to cease operations, or

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED (CONTINUED)

have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the School operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the School 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 School'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 School and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cara Miller ACCA (Senior Statutory Auditor)

for and on behalf of

MHA, Statutory Auditor

Colchester, United Kingdom

31 May 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and grants	4	-	-	-	2,826
Charitable activities	5	4,198,825	-	4,198,825	4,357,525
Other trading activities	9	198,975	-	198,975	151,186
Investments	10	753	-	753	308
Total income		4,398,553	-	4,398,553	4,511,845
Expenditure on:					
Raising funds	11	74,819	-	74,819	45,072
Charitable activities	12,13	4,846,213	-	4,846,213	4,603,165
Total expenditure		4,921,032	-	4,921,032	4,648,237
Net movement in funds before other recognised gains		(522,479)	-	(522,479)	(136,392)
Other items:					
Gains on revaluation of fixed assets		-	-	-	1,009,997
Net movement in funds		(522,479)	-	(522,479)	873,605
Reconciliation of funds:					
Total funds brought forward	23	5,315,826	3,668	5,319,494	4,445,889
Net movement in funds		(522,479)	-	(522,479)	873,605
Total funds carried forward		4,793,347	3,668	4,797,015	5,319,494

All income and expenditure derives from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 47 form part of these financial statements.

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00912265

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	17	7,140,502	7,187,196
Investments	18	100	100
		<u>7,140,602</u>	<u>7,187,296</u>
Current assets			
Stocks	19	7,999	8,449
Debtors	20	197,586	309,954
Cash at bank and in hand		777	852
		<u>206,362</u>	<u>319,255</u>
Creditors: amounts falling due within one year	21	(2,348,326)	(1,017,038)
Net current liabilities		<u>(2,141,964)</u>	<u>(697,783)</u>
Total assets less current liabilities		<u>4,998,638</u>	<u>6,489,513</u>
Creditors: amounts falling due after more than one year	22	(201,623)	(1,170,019)
Net assets excluding pension asset		<u>4,797,015</u>	<u>5,319,494</u>
Total net assets		<u><u>4,797,015</u></u>	<u><u>5,319,494</u></u>
Charity funds			
Restricted funds	23	3,668	3,668
Unrestricted funds	23	4,793,347	5,315,826
Total funds		<u><u>4,797,015</u></u>	<u><u>5,319,494</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

.....
J A Davison, BA Hons
(Chair of Trustees)
Date: 31 May 2024

The notes on pages 23 to 47 form part of these financial statements.

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	25	(108,129)	(340,211)
Cash flows from investing activities			
Purchase of tangible fixed assets	17	-	(76,186)
Investment income	10	753	308
Interest paid		(55,944)	(39,812)
Net cash used in investing activities	10	(55,191)	(115,690)
Cash flows from financing activities			
Repayments of bank loan		(29,911)	(89,732)
Net cash used in financing activities		(29,911)	(89,732)
Change in cash and cash equivalents in the year		(193,231)	(545,633)
Cash and cash equivalents at the beginning of the year		(159,509)	386,124
Cash and cash equivalents at the end of the year	26	(352,740)	(159,509)

The notes on pages 23 to 47 form part of these financial statements.

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

Orwell Park School Educational Trust Limited is a charitable company and is registered with the Charity Commission (Charity Registered Number 310481) and Registrar of Companies (Company Registration Number 00912265) in England and Wales.

In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per Member of the School. The address of the registered office is given in the School information on page 1 of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Orwell Park School Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pound sterling which is the functional currency of the School and rounded to the nearest pound sterling.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The deficit recognised in the financial year coupled with the School being in their overdraft at year end which has resulted in the breach of banking covenants pose uncertainties to the School (as they broadly do to schools in the independent sector) but the School is being active in mitigating this risk to an acceptable level. There is also the continued threat from the increase in interest rates, the cost-of-living crisis and the risk of any fall in student numbers. The Governors are also mindful of the developing policies of political parties in the UK some of which may pose added uncertainty to the independent schools' sector. In response governors are developing further mitigations to meet these potential challenges. The School continues to recover from the impact that COVID-19 had on the independent schools sector in the region and future forecasts show improving results and sufficient cashflow headroom.

The Governors have concluded that these circumstances give rise to a material uncertainty which may cast significant doubt on the School's ability to continue as a going concern. The School is reaching out to new markets and agents to increase pupil numbers which drive some growth in income and they are reducing discounts, scholarships and bursaries to help limit the reduction to the revenue growth. Given the result of these assessments including measures that have been initiated, particularly the various cost savings measures surrounding discretionary avoidable spend and reducing the staff headcount, and some that could be undertaken to mitigate the current adverse impacts and future possible politically based challenges, and the current resources available, the Governors have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and can continue to adopt the going concern basis in preparing the annual report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from government and other grants is recognised when the School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

The School has been eligible to claim additional funding from government support schemes in response to the coronavirus outbreak. The funding received is shown in donations under "HMRC Job retention scheme".

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Fees consist of charges for the School year ending 31 August, less bursaries and allowances and are accounted for in the period in which the service is provided.

In the past the School operated a fees in advance scheme, parents were able to pay for tuition fees in advance in accordance with a written contract. The amount received is invested. This is treated as deferred income. The fees for each school term are drawn down against the remaining balance and taken to income.

Income from commercial activities is included in the period in which the School is entitled to receipt.

Donations received for the general purposes of the School are credited to unrestricted funds, donations are recognised when there is entitlement, certainty of receipt, and the amount can be measured with sufficient reliability.

2.4 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered by the School.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Governance costs comprise the costs of governing the School, including strategic planning for its future development, as well as external audit, any legal advice for the Governors and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and committee meetings and of preparing statutory accounts and satisfying public accountability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The School 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 School for UK corporation tax purposes. Accordingly, the School 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.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Plant and machinery	- 5 - 25% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 10% straight line

Freehold land and buildings are carried at current year fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers, or by the Governors.

Revaluation gains and losses are recognised separately in the Statement of Financial Activities.

2.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

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 School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial Instruments

The School only holds basic Financial Instruments. The financial assets and financial liabilities of the School are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 20. Prepayments are not financial instruments.

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

Liabilities – trade creditors, accruals, other creditors and bank loans will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 21 and 22. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.13 Pensions

The School also operates a defined contribution scheme. The amount charged to the income and expenditure account in respect of pension costs and other post-retirement benefits is the sum of contributions payable in the year.

The School makes contributions to the Teachers' Pension Scheme (TPS), which is a defined benefit scheme. As many employers participate in the scheme, the School is unable to identify its share of the underlying assets and liabilities on a consistent and reliable basis. Consequently contributions are accounted for as they fall due, as if they were to a defined contribution scheme, as permitted in such circumstances under Financial Reporting Standard 102, Section 28 "Employee Benefits".

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.15 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('hire purchase and finance lease contracts'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum hire purchase and lease payments payable during the hire purchase and lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Statement of Financial Activities.

Hire purchase and lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Financial Activities over the period of the hire purchase and lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amount payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

ORWELL PARK SCHOOL EDUCATIONAL TRUST LIMITED
 (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The School 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 listed below.

- Any change in the valuation of the freehold property
- Depreciation of tangible fixed assets
- Bad and doubtful debt provision
- Impairment of assets

The present value of the 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 28, will impact the carrying amount of the pension liability.

4. Income from donations and grants

	Unrestricted funds 2023 £	Total funds 2023 £
HMRC Job Retention Scheme	-	-
	<u> </u>	<u> </u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
HMRC Job Retention Scheme	2,826	2,826
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Educational operations	4,198,825	4,198,825
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Educational operations	4,357,525	4,357,525

6. Analysis of income from charitable activities by type of income

		2023 £	2022 £
Fees receivable	7	3,854,946	4,064,149
Other ancillary trading income	8	343,879	293,376
		4,198,825	4,357,525

7. School fees

		2023 £	2022 £
Gross fees		4,673,609	4,885,403
Less: total bursaries, grants and allowances		(818,663)	(821,254)
		3,854,946	4,064,149

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NOTES TO THE FINANCIAL STATEMENTS
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8. Other ancillary trading income

	2023 £	2022 £
Learning support	65,844	78,011
Registration fees	10,603	5,872
Insurance commission	6,924	13,006
Sundry income	108,420	73,103
School activity income	145,468	108,504
Orwell Park activities income	6,620	14,880
	<u>343,879</u>	<u>293,376</u>

9. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Fundraising	53,781	53,781
Concerts and events	12,859	12,859
Letting income	132,335	132,335
Total 2023	<u>198,975</u>	<u>198,975</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Fundraising	30,271	30,271
Concerts and events	9,218	9,218
Letting income	111,697	111,697
<i>Total 2022</i>	<u>151,186</u>	<u>151,186</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest receivable	753	753
	<u>753</u>	<u>753</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest receivable	308	308
	<u>308</u>	<u>308</u>

11. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	62,818	62,818
Cost of lettings	12,001	12,001
Total 2023	<u>74,819</u>	<u>74,819</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest	39,812	39,812
Cost of lettings	5,260	5,260
<i>Total 2022</i>	<u>45,072</u>	<u>45,072</u>

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NOTES TO THE FINANCIAL STATEMENTS
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12. Analysis of expenditure on charitable activities

	Unrestricted funds 2023 £	Total 2023 £
Schools and grant making	4,846,213	4,846,213
	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Schools and grant making	4,603,165	4,603,165

13. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Schools and grant making	3,683,953	1,162,260	4,846,213
	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Schools and grant making	3,795,261	807,904	4,603,165

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	2,818,086	2,960,217
Depreciation	46,694	47,401
Teaching costs	119,616	88,112
Welfare costs	160,192	144,828
Premises costs	539,365	554,703
Total 2023	3,683,953	3,795,261

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	407,967	361,893
School activities recharged	129,513	95,770
Miscellaneous	15,906	23,925
Printing, posting and stationary	35,587	37,509
Professional fees	164,173	34,781
Marketing and recruitment	65,189	61,523
Concerts	43,041	27,091
Telephones	21,149	21,009
Computer costs	67,121	72,449
Bank charges	18,655	6,299
Bad debts	113,098	16,000
Commission fees	59,818	33,755
Governance costs	21,043	15,900
Total 2023	1,162,260	807,904

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NOTES TO THE FINANCIAL STATEMENTS
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14. Auditor's remuneration

	2023 £	2022 £
Auditor's remuneration - Audit of the financial statements	12,500	9,075
Auditor's remuneration - Other services	1,750	1,375
	<u>14,250</u>	<u>10,450</u>

15. Staff costs

	2023 £	2022 £
Wages and salaries	2,540,658	2,632,607
Social security costs	240,629	253,422
Pension costs	444,766	436,081
	<u>3,226,053</u>	<u>3,322,110</u>

Included within wages and salaries are staff restructuring costs of £Nil (2022 - £88,187) of which £Nil (2022 - £50,171) is in respect of non-statutory severance payments made to 0 (2022 - 2) individuals.

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

	2023 No.	2022 No.
Teaching	46	49
Welfare	32	35
Maintenance	7	7
Administration	14	12
	<u>99</u>	<u>103</u>

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15. Staff costs (continued)

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £140,000 - £150,000	1	1

The above employees participated in both the Teachers Pension Scheme and a defined contribution pension scheme held by the School. During the year ended 31 August 2023, employer pension contributions amounted to £39,947 (2022 - £60,796) for these employees.

The Key Management Personnel of the School comprise the Governors and the Senior Leadership Team. The total amount of employee benefits (including employer pension contributions, national insurance contributions and benefits in kind) received by Key Management Personnel for their services to the School in the year was £447,168 (2022 - £506,237).

16. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2022 - *£NIL*).

During the year ended 31 August 2023, expenses totalling £2,619 were reimbursed or paid directly to the Governors (2022 - £3,947). These expenses were for travel, food, subscription and course costs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Furniture, fixtures and fittings £	Total £
Cost or valuation					
At 1 September 2022	6,630,000	727,428	75,245	91,560	7,524,233
At 31 August 2023	6,630,000	727,428	75,245	91,560	7,524,233
Depreciation					
At 1 September 2022	-	232,846	75,245	28,946	337,037
Charge for the year	-	38,038	-	8,656	46,694
At 31 August 2023	-	270,884	75,245	37,602	383,731
Net book value					
At 31 August 2023	6,630,000	456,544	-	53,958	7,140,502
At 31 August 2022	6,630,000	494,582	-	62,614	7,187,196

All fixed assets are held for charitable purposes.

The freehold land and buildings were revalued by Lambert Smith Hampton, a RICS registered valuer, on 30 June 2022. The valuation was performed on a market value basis. The Governors consider that the valuation of the property remains appropriate for the purposes of these financial statements.

	2023 £	2022 £
Historic cost less depreciation	3,295,833	3,364,293
	<u>3,295,833</u>	<u>3,364,293</u>

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18. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2022	100
At 31 August 2023	<u>100</u>

On 31 August 2011 the assets and trade of Events at Orwell Park Limited were transferred to Orwell Park School Educational Trust Limited.

Principal subsidiaries

Name	Company number	Registered office or principal place of business	Principal activity	Holding
Events at Orwell Park Limited	06170306	Orwell Park School, Nacton, Ipswich, Suffolk, IP10 0ER.	Dormant	100%

19. Stocks

	2023 £	2022 £
Stationery supplies	-	150
Food stocks	400	700
Oil stocks	7,599	7,599
	<u>7,999</u>	<u>8,449</u>

There is no material difference between the replacement costs of stocks and the amounts stated above.

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20. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	3,812	70,364
Other debtors	62,859	140,251
Prepayments and accrued income	130,915	99,339
	<u>197,586</u>	<u>309,954</u>

21. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	353,517	160,361
Bank loans	1,136,607	89,732
Fees in advance	530,887	343,612
Trade creditors	94,275	18,441
Lump sum fees (see below)	21,743	17,931
Amounts owed to subsidiary undertakings	100	100
Other taxation and social security	57,819	178,583
Final term deposits	4,000	23,000
Other creditors	77,970	62,396
Accruals and deferred income	71,408	122,882
	<u>2,348,326</u>	<u>1,017,038</u>

During the year, the covenant relating to the above bank loan was breached. Therefore, the balance is shown as being due within one year of the balance sheet date as the lender had the right to call in the balance due to the breach.

Both the bank overdraft and bank loan are secured by way of a legal charge over the property at Orwell Park Nacton Ipswich Suffolk in favour of Barclays Bank PLC.

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Lump sum fees

Parents may enter into a contract to pay the School tuition fees in advance. The money may be returned subject to specific conditions. The balance represents the accrued liability under the contracts. The movements during the year were:

	2023 £	2022 £
Balance at 1 September	17,931	101,937
Amount of lump sum fees received in the year	122,247	-
Amount utilised in payment of school fees to the school	(118,435)	(84,006)
Balance at 31 August	21,743	17,931

	2023 £	2022 £
Of which:		
Payable within 1 year	21,743	17,931
Payable after 1 year	25,309	-
	47,052	17,931

22. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	-	1,076,786
Lump sum fees	25,309	-
Other taxation and social security	-	24,233
Final term deposits	176,314	69,000
	201,623	1,170,019

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Designated fixed assets fund	4,372,681	-	(46,694)	76,186	-	4,402,173
Fixed asset revaluation reserve	2,738,329	-	-	-	-	2,738,329
	<u>7,111,010</u>	<u>-</u>	<u>(46,694)</u>	<u>76,186</u>	<u>-</u>	<u>7,140,502</u>
General funds						
General fund	(1,795,184)	4,398,553	(4,874,338)	(76,186)	-	(2,347,155)
Total Unrestricted funds	<u>5,315,826</u>	<u>4,398,553</u>	<u>(4,921,032)</u>	<u>-</u>	<u>-</u>	<u>4,793,347</u>
Restricted funds						
Other	3,668	-	-	-	-	3,668
Total of funds	<u><u>5,319,494</u></u>	<u><u>4,398,553</u></u>	<u><u>(4,921,032)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>4,797,015</u></u>

The designated fixed assets fund and the fixed asset revaluation reserve represent the fixed assets of the School held for charitable use not funded by restricted purpose funds. The movement in the charitable fixed assets fund represents the net movement in the Balance Sheet of the value of freehold land and buildings, the transfer represents additions less disposals to fixed assets.

The restricted funds are held for the purposes of art and music bursary funds.

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23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2022</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Designated fixed assets fund	4,420,082	-	(47,401)	-	-	4,372,681
Fixed asset revaluation reserve	1,728,332	-	-	-	1,009,997	2,738,329
	<u>6,148,414</u>	<u>-</u>	<u>(47,401)</u>	<u>-</u>	<u>1,009,997</u>	<u>7,111,010</u>
General funds						
General fund	(1,706,193)	4,511,845	(4,600,836)	-	-	(1,795,184)
Total Unrestricted funds	<u>4,442,221</u>	<u>4,511,845</u>	<u>(4,648,237)</u>	<u>-</u>	<u>1,009,997</u>	<u>5,315,826</u>
Restricted funds						
Other	<u>3,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,668</u>
Total of funds	<u><u>4,445,889</u></u>	<u><u>4,511,845</u></u>	<u><u>(4,648,237)</u></u>	<u><u>-</u></u>	<u><u>1,009,997</u></u>	<u><u>5,319,494</u></u>

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24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	7,140,502	-	7,140,502
Fixed asset investments	100	-	100
Current assets	202,694	3,668	206,362
Creditors due within one year	(1,271,540)	-	(1,271,540)
Creditors due in more than one year	(1,278,409)	-	(1,278,409)
Total	4,793,347	3,668	4,797,015

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	7,187,196	-	7,187,196
Fixed asset investments	100	-	100
Current assets	315,587	3,668	319,255
Creditors due within one year	(1,017,038)	-	(1,017,038)
Creditors due in more than one year	(1,170,019)	-	(1,170,019)
Total	5,315,826	3,668	5,319,494

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FOR THE YEAR ENDED 31 AUGUST 2023

25. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(522,479)</u>	<u>(136,392)</u>
Adjustments for:		
Depreciation charges	46,695	47,401
Losses on investments	(753)	(308)
Decrease/(increase) in stocks	450	(1,100)
Decrease/(increase) in debtors	112,367	(99,944)
Increase/(decrease) in creditors	199,647	(189,680)
Interest paid	55,944	39,812
Net cash used in operating activities	<u><u>(108,129)</u></u>	<u><u>(340,211)</u></u>

26. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	777	852
Bank overdraft	(353,517)	(160,361)
Total cash and cash equivalents	<u><u>(352,740)</u></u>	<u><u>(159,509)</u></u>

27. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	852	(75)	777
Bank overdrafts repayable on demand	(160,361)	(193,156)	(353,517)
Debt due within 1 year	(107,663)	26,099	(81,564)
Debt due after 1 year	(1,076,786)	-	(1,076,786)
	<u><u>(1,343,958)</u></u>	<u><u>(167,132)</u></u>	<u><u>(1,511,090)</u></u>

NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. Employer contributions for the year ended 31 August 2023 totalled £323,389 (2022 - £358,017). At 31 August 2023, contributions amounting to £37,953 were payable to the scheme (2022 - £40,471) and are included within creditors.

The School also operates a defined contribution scheme for which there were employer contributions for the year ended 31 August 2023 totalling £121,377 (2022 - £78,064). At 31 August 2023 there were amounts outstanding of £13,679 (2022 - £10,731).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions

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28. Pension commitments (continued)

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, 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%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

29. Operating lease commitments

At 31 August 2023 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	37,609	35,057
Later than 1 year and not later than 5 years	62,139	28,381
	<u>99,748</u>	<u>63,438</u>

30. Members' guarantee

The School has no share capital but is limited by guarantee. Every Member of the charitable company is a guarantor and undertakes to contribute to the assets of the School and in the event of it being wound up such amounts might be required. Each guarantor's liability is limited to £1.

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31. Connected Charity

The Orwell Park School Foundation is a registered Charitable Company, Charity registered number 1070488, which exists primarily to support the School. The Governors' report provides further information surrounding the connected charity. Given the independence of a majority of the Foundation's Governors, its results are not incorporated within these accounts as the Foundation is not considered under the control or significant influence of the School.

At 31 August 2023 £1,277 was due from (2022 - £78,295) The Orwell Park School Foundation which is included within other debtors at the Balance Sheet date. During the year £NIL (2022 - £NIL) of donations were collected, book sales invoiced of £NIL (2022 - £NIL) and events income collected of £NIL (2022 - £NIL) in Orwell Park School Educational Trust Limited on behalf of The Orwell Park School Foundation.

Purchases and staff costs of £Nil (2022 - £22,007) were incurred by Orwell Park School Educational Trust Limited on behalf of The Orwell Park School Foundation and recharged to them.

32. Related party transactions

During the year the School received fees of £16,332 (2022 - £20,240) from Mrs Bhoola, £Nil (2022 - £19,027) from Mr Sexton, £24,986 from Mr Hearsey (2022 - £Nil), £46,390 from Mrs Lawson (2022 - £Nil) and £43,747 from Mr Sandover (2022 - £Nil).

No balances were outstanding at the year end. Fees are paid on the same basis as for other students.

During the year, income of £32,500 (2022 - £32,616) was received from P.L.O.T. Community Interest Company, of which James Davison is a Director. There was £Nil (2022 - £Nil) outstanding at the year end.

During the year, purchases of £2,020 (2022 - £Nil) were made from Teen Tips and The Wellbeing Hub, of which Kathryn Lawson is a Director. There was £Nil (2022 - £Nil) outstanding at the year end.

