

Company Registration No. 07666213 (England and Wales)

**COMPASS EDUCATION TRUST LTD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

COMPASS EDUCATION TRUST LTD

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COMPASS EDUCATION TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Members

C Breathwick
S Hammond
P Rothern
P Walker

Trustees

C Breathwick (Chair of Trustees)
M Clark (Appointed 1 September 2017)
D Franklin (Appointed 1 September 2017)
S Hillier (Appointed 1 September 2017)
J Lyon
S Martin (Chair of Resources Cttee)
I Miller
A Mohammed (CEO)

The Billericay School Local Governing Body

J Coughlan
J Garrard
F Gregson
C Johnson (to 28.2.18)
D Knight (chairman from 12.3.18)
V Manchee
R Orr (chairman to 12.3.18)
L Patmore (wef 14.5.18)
P Owen
J Payne
J Roberts (from 16.10.17)
J Malbon (16.10.17 to 31.5.18)
P Saravanapavan
I Thompson (from 16.10.17)

The Bromfords School & Sixth Form Local Governing Body

S Brennan (to 23.11.2017)
D Ferrer
E Huet
A Knott
D Morris (chairman)
C Morris
K Porter (to 07.07.2018)
A Stead (to 28.09.2018)
P Whalley
R Wood

COMPASS EDUCATION TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Leadership teams

- CEO & Billericay School Headteacher	A Mohammed
- Head of School Bromfords	M Coulson
- Deputy Headteacher (Billericay)	P Berry
- Deputy Headteacher (Bromfords)	J Edwards
- Deputy Headteacher (Billericay)	S Smears
- Deputy Headteacher (Bromfords)	J Tree
- Trust Operations Manager	J Moore (to 31.8.18)
- Trust Business & Finance Manager	M Little (wef 1.9.18)
- Assistant Headteacher (Bromfords)	J Bailey
- Assistant Headteacher (Billericay)	C Berry
- Assistant Headteacher (Bromfords)	L Briffaut
- Assistant Headteacher (Bromfords)	A Clark (wef 1.9.19)
- Assistant Headteacher (Billericay)	K Cooper
- Assistant Headteacher (Billericay)	C Darley (to 31.8.18)
- Assistant Headteacher (Billericay)	K Dempster (wef 1.9.18)
- Assistant Headteacher (Bromfords)	B Haines
- Assistant Headteacher (Billericay)	P Parkin
- Assistant Headteacher (Billericay)	J Pead

Academies

The Billericay School, Billericay, Essex
The Bromfords School and Sixth Form College, Wickford, Essex

Company Secretary

J Moore

Company registration number

07666213 (England and Wales)

Registered office

School Road
Billericay
Essex CM12 9LH

Independent auditor

Baxter & Co
Lynwood House
Crofton Road, Orpington
Kent BR6 8QE

Bankers

NatWest Bank
41 High Street
Billericay
Essex CM12 9AZ

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2017/18 issued by the ESFA.

The principal activity of the company is the operation of state-funded academies, The Billericay School and The Bromfords School & Sixth Form College, providing a state funded education for students aged 11 to 18. The trust had 2611 students on roll in the school census at January 2018. (1640 at Billericay and 971 at Bromfords)

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee incorporated on 12 June 2011, and was formerly named The Billericay School, the predecessor school having converted to academy status on 1 July 2011. On 17 July 2017, the company changed its name to Compass Education Trust Ltd and on 18 December 2017 adopted new articles of association, enabling the Company to operate as a Multi Academy Trust ("MAT"). The Bromfords School & Sixth Form College in Wickford joined the MAT with effect from 1 September 2017. The charitable company's memorandum and articles of association are its primary governing documents.

The Trustees, who are also the directors for the purpose of company law, and who served during the year are set out in the Reference and Administrative Details section on page 1.

Members' liability

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

Trustees' Indemnities

No indemnities or guarantees have been provided to third parties by the charitable company in respect of any of its trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles adopted in December 2017, the trustees of the charitable company are appointed as follows;

- a) Up to 10 trustees appointed by the members
- b) The Chief Executive Officer, should they agree to so act, on an ex-officio basis
- c) The trustees may appoint further co-opted trustees
- d) The first trustees are those named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Local Governing Bodies

The Trustees have determined that academies within the Trust shall appoint a local governing body to ensure local oversight of the academies. The constitution of local governing bodies and governor responsibilities are set out in the Trust's terms of Reference and Scheme of Delegation. The requirement as set out in the Articles of Association with regard to parent representation is satisfied by the appointment of parent governors to each local governing body.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of Trustees and Local Governors

The training and induction provided for new governors and trustees will depend on their existing experience. Where necessary, induction provides training in charity, educational, legal and financial matters. All governors and trustees are provided with the information they need (including policies, minutes, budgets, etc) to undertake their role as governors or trustees and training needs are considered regularly by both the full governing body and the Trust. Training is provided for all governors and trustees on a variety of subjects during the year and individual governors and trustees may also book onto external training sessions as and when relevant.

Organisational structure

The board of trustees, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets a minimum of 6 times a year and also holds an AGM.

The Local Governing Bodies may determine their committee structure in order that they may fulfil the responsibilities as set out in the scheme of delegation.

All committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Where Trustees and Governors have delegated specific responsibilities to committees, the decisions and activities are reported to and discussed at full Board and full LGB Meetings.

Day to day management of the company is undertaken by the CEO, supported by Leadership Teams at both academies.. Ahson Mohammed is the CEO of the Compass Education Trust Ltd and also undertakes the Head of School role at The Billericay School. Martin Coulson is the Head of School at The Bromfords School & Sixth Form College.

The CEO is the Trust's Accounting Officer and the Trust Operations Manager is the Company Secretary. The Trust Finance & Business Manager is the Principal Finance Officer of the Trust

Arrangements for setting pay and remuneration of key management personnel

The senior leadership team members (SLT) are the key management personnel of the Trust. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff within their category. Further details of remuneration paid to staff who are trustees are set out within the notes to the accounts.

The pay range of the CEO is set by the Trust Board having regard to the recommendations in the STP&C document. Performance against objectives is reviewed annually by a Review Committee which includes trustees and Billericay School governors (as the CEO performs both CEO and Head. Any consequent recommendations with regard to salary review are considered and approved by the Trust board. The Pay Range of the Bromfords Head of School is determined by the Trust board in consultation with a staffing committee of the local governing body. Pay ranges of other SLT members are also set by local governing bodies in consultation with the CEO. Where individual salary ranges entitle staff to an incremental increase, these are approved by the Local governing bodies (or committee thereof) having regard to recommendations made by the Head of School following annual review of performance against previously agreed objectives.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3 at Billericay , 1 at Bromfords	4

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Trust Pay costs	£12,229k
Percentage of the total pay bill spent on facility time	£0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

The Trust operates a sports centre - "The Billericay Sports Centre Ltd", which is a company limited by guarantee, company number 03357691. Full details of the nature and value of the transactions are detailed in a separate note to the accounts. The trustees do not consider that the transactions are material and have chosen not to consolidate the subsidiary on these grounds.

The trust is a partner to the "Billericay Community Trust" (BCT) which is a partnership across all the schools located in the town of Billericay. Headteacher members of BCT collaborate to oversee the following two operations in respect of teacher training:

- The Billericay Educational Consortium (BEC,) is a school centred initial teacher training provider (SCITT) for both primary and secondary phases <<http://www.billericayscitt.com/>>
- The Billericay Teaching School Alliance (TSA,) develops and organises courses and in-service training provision for teachers at all levels of career development.

Compass Education Trust Ltd is the fund holder for both these collaborative operations and the employer of their staff. The funds of BEC SCITT and the TSA are administered by the trust but their income and expenditure is excluded from the statutory accounts on the basis of agency arrangements, described in note 27. This includes include grants, income and other related expenditure including provision of salary grants and bursaries to trainees.

Compass Education Trust Ltd also provides administrative support to the Billericay Educational Trust. This is a registered charity whose purpose is to provide grants to students undertaking higher or further education <http://billericayeducationaltrust.co.uk/>.

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of The Billericay School and The Bromfords School and Sixth Form College, the aim being to provide the highest possible standard of education and pastoral care, maximising the attainment and life-chances of all students. The trust also aims to provide facilities for use by the local community via letting of facilities and through its Sports Centres.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

Our main objectives during the 2017/2018 year are summarised below:

- To ensure that every student enjoys high quality education in terms of resourcing, tuition and care;
- To raise the standard of education progress and attainment of all students on roll;
- To improve the effectiveness of the academy by keeping the curriculum, processes and structures under review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory requirements;
- To maintain close links with the local community and local schools
- To conduct the Trust's business with the highest standards of integrity, probity and openness
- To put in place strategies to enable the schools to work towards the schools achieving an 'Outstanding' categorisation from Ofsted.
- To continue to prepare departments for new examinations and new national assessment measures
- To respond effectively to the budget reductions and increased employment costs facing all schools

- To ensure that the newly established Compass Education Trust is organised effectively and puts in place the necessary policies and arrangements to ensure the success of its academies
- To explore the possibility of admitting additional academies to the Trust

Public benefit

In setting the objectives and planning the associated activities, trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and performance

The Billericay School

- At GCSE, 74% of students achieved Grade 4+ in both English & Maths (Standard Pass) and 49% achieved Grade 5+ in both (Strong Pass); both outcomes exceeded national outcomes.
- The Progress 8 Score achieved by Year 11 students increased by 0.2 overall.
- The Attainment 8 Score rose over 3 points, to give an average GCSE outcome of Grade 5.
- Post 16, 41% of all A Levels taken by Year 13 students achieved Grades A*-B.
- Post 16, students studying Applied General or Tech Level courses achieved, on average, a Distinction.
- The school continued to make both structural and resourcing adaptations to make the site and our provision more accessible.
- The Billericay School has effectively reduced staffing costs whilst managing to maintain a broad and balanced curriculum for students at GCSE and a large range of subjects at 6th form level
- A number of capital improvements were carried out, including refurbishment of the school kitchen and extension of the Construction shed, which will allow increased number of students to undertake the course in 2018/2019. This project was supported by EFA funding.

The Bromfords School & Sixth Form College

- The School was oversubscribed for Year 7 for the first time in 15 years and the School population showed a growth of 9 %
- ASC provision saw developments throughout the year and is nearly up to full capacity and providing a good service to the most vulnerable students
- All Year 13 students achieved their first choice university place and two students achieved places at Cambridge University to read Natural Sciences.
- A significant electrical upgrade project was successfully carried out during the year, with financial support from EFA
- The School launched its new website.

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Multi Academy Trust

- The Trust changed its name on 1st September 2017 to become the Compass Education Trust. A Trust board was set up comprising members of the former governing bodies of The Billericay School and The Bromfords School. A Scheme of Delegation and governance plan was put in place to ensure that the Trust board and local governing bodies understand their respective responsibilities
- Policies were established for the Multi Academy Trust and work has begun to harmonise practice in both academies where this will be helpful or beneficial
- Initial and positive discussions have taken place with Castledon School with a view to admission of that special school to Compass Trust in the future

Key performance indicators for academies

Billericay School

		2017/18	2016/17	2015/16	2014/15	2013/14
GCSE	% achieving 5 x A* - C passes with English & Maths *			64%	62%	72.8%
	% Achieving 5 x A* to C Basics (Eng & Maths) Scoring 4+	74%	66%			
	Scoring 5+	49%	40%			
	Average capped point score (new measures from 2016)			50.92	332.7	318.9
	Attainment 8 score (new from 2017)	50.09	46.9	46.8		
	Progress 8 score (new from 2016)	-0.13	-0.3	-0.09		
A level	% achieving A* - B grades	41%	53%	44%	44%	44%
	% pass rate	99%	98%	99%	96%	99%
Total staffing costs	% salary costs as proportion of all grant income	84.77%	87.89%	86.58%	85.49%	80.38%
Teaching costs	% teaching costs as proportion of all grant income	62.14%	65.86%	64.69%	64.22%	60.34%
total Admin staffing	% admin staffing as proportion of all grant income	4.35%	5.54%	5.65%	5.13%	4.85%
Learning Support	% spent on learning support staff costs as a proportion of grant income	3.03%	3.51%	4.18%	3.57%	3.56%
Educational resources	% spent on dept educational resources (excl IT) as proportion of GAG	1.42%	1.70%	2.61%	2.70%	2.69%
Staff development	% spent on staff development activities as a proportion of GAG	2.78%	0.24%	0.42%	0.50%	0.46%

* exams and attainment measures were changed by DfE in 2014/2015, 2015/16 and 2016/2017 so like for like comparison is likely to be misleading

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Bromfords School

		2017/18	2016/17
GCSE	% achieving 5 x A* - C passes with English & Maths *		
	% Achieving 5 x A* to C Basics (Eng & Maths) Scoring 4+	48%	60%
	Scoring 5+	27%	33%
	Average capped point score (new measures from 2016)		
	Attainment 8 score (new from 2017)	3.87	403
	Progress 8 score (new from 2016)		-0.09-
A level	% achieving A* - B grades	45	43
	% pass rate	98	98
Total staffing costs	% salary costs as proportion of all grant income	89.6%	na
Teaching costs	% teaching costs as proportion of all grant income	56.95%	na
total Admin staffing	% admin staffing as proportion of all grant income	7.14%	na
Learning Support	% spent on learning support staff costs as a proportion of grant income	5.87%	na
Educational resources	% spent on dept educational resources (excl IT) as proportion of GAG	1.22%	na
Staff development	% spent on staff development activities as a proportion of GAG	4.25%	na

Going concern

The board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The Academy Trust receives income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grants, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants, which are allocated for specific purposes (such as Pupil Premium, which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from funds, which are available for spending. We meet our obligations in respect of the LGPS deficit by paying pension an annual deficit contribution, as calculated by the scheme's actuaries.

The following balances were held at 31 August;

Fund	Category	2018 £'000	2017 £'000
GAG	Restricted General Funds	0	1
Other DfE/ESFAGrants	Restricted General Funds	12	0
Other Income	Restricted General Funds	<u>35</u>	<u>37</u>
Sub-total	General Restricted Funds	47	38
Unspent Capital Grants	Restricted Fixed Asset Fund	7	2
Salix Capital loan balance	Restricted Fixed Asset Fund	(31)	(38)
Other Income	Unrestricted General Fund	<u>1,113</u>	<u>685</u>
Sub-Total	Funds available for spending	1,136	687
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	28,405	14,591
Share of LGPS Deficit	Restricted Pension Reserve	<u>(7,219)</u>	<u>(4,515)</u>
Total	All Funds	<u>22,322</u>	<u>10,763</u>

During the year under review and after transfers and actuaia gains, there was a surplus of £11k on general restricted funds, a surplus of £428k on unrestricted funds and after LGPS valuation adjustments, net assets transferred by The Bromsford School & Sixth Form College, depreciation and capital income and expenditure, an overall surplus of £10,763k.

Reserves policy

The Board has established the following reserves policy:
The trust will:

- Maintain a prudent level of resources to meet unforeseen contingencies
- Where balances allow, hold a capital reserve fund to finance future capital expenditure.
- Hold reserves as necessary to ensure longer-term stability (eg in staffing) to meet and fund the strategic aims of the trust, cyclical renewals and other planned developments

The level of reserves shall in future be reviewed annually by the Trustees of Compass Education Trust, which shall determine the levels to be maintained in each of the above categories.

At 31st August 2018, the trust held reserves of £1,160k (2017: £722k). A proportion of these funds will be used in 2018/19 to support an in-year budget deficit at Bromfords School. This situation is reflected across the academy and maintained schools sector as all schools have faced a long period of austerity where grant income decreased and employment costs (NI, pensions and cost of living increases) have risen. Both academies have however made budget adjustments to reflect the lower income levels and the increased employment costs and as a result will achieve in-year balanced budgets within 2 years.

Remaining funds are set aside for contingency purposes, to maintain stability and meet the academies objectives over the next few years,. By maintaining a healthy contingency fund, the board will be able to meet unforeseen costs and allocate funds to capital improvements where these needs are not met by grant funding.

COMPASS EDUCATION TRUST LTD

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FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Trustees seek to maximise interest returns on cash balances held. However, with interest rates being at an all-time low during 2017/2018 these returns are minimal at present

Principal risks and uncertainties

The trustees have assessed the major risks to which the company is exposed, in particular those relating to academic performance/finances/child welfare and safeguarding. The trustees have implemented a number of systems to assess the risks that the company faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk remains, they have ensured they have adequate insurance cover. In 2015, the Billericay School joined the ESFA's Risk Protection Arrangement. Bromfords School joined this arrangement in 2017. The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may arise. The budgeting and reporting processes, including scrutiny by both the trustees and local school governors of actual financial performance, mitigates the risks

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect and allow implementation of the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The trust and individual academies within it organise occasional fundraising events and appeals and co-ordinate the activities of supporters both in the academies and in the wider community on behalf of the trust. It is however customary for fundraising activities to be actioned by parent teacher associations independently of the school

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact may be made through email, academy newsletters, academy websites and via students..

Plans for the future

The principal objectives over the coming year are:

The Billericay School

- To achieve Progress 8 Score between 0.00 and -0.09
- To achieve an ALPS score of 4 at Post 16,
- To improve student's social space around the school
- To embed the new curriculum for Years 9 and 10
- To replace the heating infrastructure in A block

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Bromfords School & Sixth Form College

- To continue to increase student admission numbers at Bromfords School and to its 6th form
- To achieve an ALPS score of 3 at Post 16,
- To improve outcomes in the 'basics' measure at both the standard and strong pass.
- To increase the number of students achieving an overall P8 score that is positive.
- To improve outcomes for boys and upper ability students and to narrow the gap in attainment for all disadvantaged students

Compass Education Trust

- To adjust senior staffing responsibilities to increase capacity within the MAT
- To review GCSE and Sixth form curriculum offers
- To undertake due diligence in respect of Castledon School in order to consider admission to Compass Education Trust in 2019
- To continue to establish policies and processes across the MAT to achieve harmonisation of practice, where this will be beneficial to student outcomes and effective working
- To achieve economies and efficiencies through procurement and purchase arrangements across the MAT
- To implement improvements in ICT infrastructure in both schools and utilise the latest technology to find economic solutions and meet curriculum need
- To recruit additional local governors and provide effectiveness training to local governing bodies.
- To review the 6th form curriculum offer at both schools

Funds held as custodian trustee on behalf of others

The trust is the fundholder organisation for a number of collaborative groups, which have wider educational aims. Balances held at 31st August 2018 were as follows:

<i>Behaviour and Attendance Partnership</i>	<i>2018: £3,979 (2017: £2,229)</i>
<i>Billericay Music Association</i>	<i>2018: £11,423 (2017: £8,731)</i>
<i>Basildon and District Sports Association</i>	<i>2018: £253 (2017: -£654)</i>
<i>Billericay Teaching School Alliance</i>	<i>2018: £116,290 (2017: £123,055)</i>
<i>Consortium for School Improvement</i>	<i>2018: £14,412 (2017: £10,925)</i>
<i>14-19 partnership</i>	<i>2018: £2,724 (2017: £2,724)</i>
<i>SCITT (teacher Training)</i>	<i>2018: £208,492 (2017: £222,272)</i>

Auditors

In so far as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2018 and signed on its behalf by:


.....
C Breathwick
Chair of Trustees

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Compass Education Trust Ltd and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Full Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Full Trustee Board	Meetings Attended	Out of possible
C Breathwick (chairman)	4	4
D Franklin	2	4
M Clark	3	4
S Hillier	2	4
J Lyon	4	4
A Mohammed	4	4
S Martin	3	4
I Miller	4	4

Governance Reviews

During 2017/2018, the Trust gave full consideration to the most effective arrangements for formation and governance of the new Multi Academy Trust. Appointments were made to the board of trustees of Compass Education Trust with the aim of ensuring a wide range of skills and expertise. Discussion has taken place with local governing bodies with the aim of ensuring that both academies benefit from knowledgeable and committed local governors who engage with the academy at the local level. A governance plan has been put in place to detail the manner in which good governance is carried out. High quality training for local governors is a key aim to ensure they are able to fulfil their monitoring responsibilities and hold headteachers to account.

The Finance & Audit

The board of Trustees:

- Set and monitor the allocation of funds to the academies, approve budgets and approve expenditure above established limits
- Set out in the Scheme of Delegation the level of authority allocated to local governing bodies, CEO and Heads of School
- Establish the framework for financial control to ensure probity, best value and compliance with grant funding regulations and the AFH
- Review and recommend the annual audited accounts to all members

Local Governing Bodies:

- Set a budget in accordance with funds delegated by the Trust board
- Monitor the academy budget
- Adhere to the financial regulations and policies set out by the Trust

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

The role of the Trust board and the Local governing bodies is clearly set out in the Trust's scheme of delegation. The responsibilities of both Trustees and Governors include the consideration of reports from the auditors and the Responsible Officer and to scrutinise decisions and processes to ensure compliance with the ESFA Academies Financial Handbook 2017.

The Trustees formed a Resources Committee during 2017/2018 to monitor matters relating to financial and staffing resources. In 2018/2019 this arrangement will change and the Local Governing Bodies will monitor and review academy finances in detail with the Trustee board maintaining strategic oversight.

Attendance at meetings of the **Trust Resources Committee** during the year was as follows:

Trustees	Meetings attended	Out of possible
C Breathwick	4	4
D Franklin	4	4
M Clark	2	4
J Lyon	3	4
A Mohammed	4	4
S Martin	4	4
I Miller	4	4

Review of Value for Money

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

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

The Accounting Officer considers best value for the trust in all its day to day activities by:

- Ensuring the most effective means of staff deployment and the most effective and cost-effective construction of the timetable to deliver an appropriate curriculum to achieve good outcomes for students
- Always seeking economy in its purchases and ensuring that competitive quotes are obtained
- Avoiding waste and seeking efficiency in the use of resources
- Monitoring energy expenditure and seeking energy saving improvements in all capital projects
- Regularly reviewing expenditure and policy and practice to assess effectiveness and value for money
- Rigorous planning to ensure that priorities are determined to effect the best outcome for students
- Maximisation of income by ensuring that school facilities such as sports centre, halls and pitch are used both for benefit of the community and to generate income for the schools

Over the course of 2017/2018 the academies continued to implement their staffing cost reduction, by reducing support staff hours and the number of teachers employed. There have been further cost savings in a number of key budget areas, e.g. departmental resources and ICT.

The Trust makes wide use of data to assess performance, quantify improvements, monitor and track student progress and analyse student outcomes. Benchmarking is also used to make comparisons with other schools, using both national data and local knowledge. Much informal benchmarking is undertaken by staff over a very wide range of functions to assess performance against other local schools, compare costs and benefits and to ensure best practice is learnt.

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

The Governing Bodies have met on a regular basis to review the schools' financial performance.. The following items have been reviewed by either the full governing body or a working group of the GB, to ensure good use of resources and that value for money considerations are taken into account:

- Progress in relation to the school development plan
- Actual income and expenditure against budgets
- Budget changes
- Forecast budgets
- Cash flow and interest
- Outcomes for Pupil Premium students
- Consumption and cost of energy
- Tenders for large premises-related projects
- Cost of maintenance contracts
- Independent audit of ICT provision in both academies
- Catering income and expenditure
- Sports Centre Income and Expenditure
- Sports Centre pricing policy
- Curriculum model and staffing structure
- Staffing restructure proposals

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Compass Education Trust Ltd for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is reviewed annually by the board of Trustees

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Julie Garrard (parent trustee) as Responsible Officer ("RO"). In addition Baxter & Co has been appointed to undertake "internal" assurance checks on a termly basis. The reports are circulated to all trustees. The RO makes visits to the trust to review various aspects of the finance function and a report detailing checks made and findings is circulated to all trustees and governors.

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

The Responsible Officer and Baxter & Co internal assurance section carried out visits during the year

Checks and activities carried out included

- Accounting system, including bank reconciliation and month end controls
- The records relating to declaration of interest by staff and trustees
- Random review of payroll records focussing on new starters
- Review of sports centre financial procedures
- Cashless catering procedures and ParentPay
- Income
- Financial arrangements in respect of trips and visits
- Debtors
- Petty Cash
- Procedures relating to the sports centre income

No significant issues or system failures were identified as a result of checks. The trustees or governors regularly consider and recommend further areas of work to be explored and examined by the RO in addition to the routine checks

Review of effectiveness

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

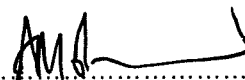
- the work of the Responsible Officer and Internal Assurance checks ;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee to ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 10 December 2017 and signed on its behalf by:



.....
C Breathwick
Chair of Trustees



.....
A Mohammed
Accounting Officer

COMPASS EDUCATION TRUST LTD

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Compass Education Trust Ltd I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



A Mohammed
Accounting Officer

10 December 2018

COMPASS EDUCATION TRUST LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Compass Education Trust Ltd for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2018 and signed on its behalf by:



C Breathwick

Chair of Trustees

COMPASS EDUCATION TRUST LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS EDUCATION TRUST LTD

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the Financial Statements of Compass Education Trust Ltd for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

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

We have nothing to report in this regard.

COMPASS EDUCATION TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

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

Responsibilities of Trustees

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

In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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.

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


COMPASS EDUCATION TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 19 December 2018

COMPASS EDUCATION TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Compass Education Trust Ltd during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Compass Education Trust Ltd's funding agreement with the Secretary of State for Education dated 21 June 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.9 of the Academies Financial Handbook 2017, issued by the ESFA.

COMPASS EDUCATION TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Baxter & Co

Independent Reporting Accountants

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 19 December 2018

COMPASS EDUCATION TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	29	44	587	660	97
Donations - Transfer of existing academy into the trust	28	574	(3,422)	14,317	11,469	-
Charitable activities:						
- Funding for educational operations	4	17	14,896	-	14,913	9,047
Other trading activities	5	161	-	-	161	165
Investments	6	3	-	-	3	4
Total		<u>784</u>	<u>11,518</u>	<u>14,904</u>	<u>27,206</u>	<u>9,313</u>
Expenditure on:						
Raising funds	7	-	35	-	35	37
Charitable activities:						
- Educational operations	9	321	15,715	1,113	17,149	10,187
Total	7	<u>321</u>	<u>15,750</u>	<u>1,113</u>	<u>17,184</u>	<u>10,224</u>
Net income/(expenditure)		463	(4,232)	13,791	10,022	(911)
Transfers between funds	20	(35)	-	35	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	22	-	1,537	-	1,537	359
Net movement in funds		428	(2,695)	13,826	11,559	(552)
Reconciliation of funds						
Total funds brought forward		<u>685</u>	<u>(4,477)</u>	<u>14,555</u>	<u>10,763</u>	<u>11,315</u>
Total funds carried forward		<u>1,113</u>	<u>(7,172)</u>	<u>28,381</u>	<u>22,322</u>	<u>10,763</u>

COMPASS EDUCATION TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Income and endowments from:					
Donations and capital grants	3	40	14	43	97
Charitable activities:					
- Funding for educational operations	4	2	9,045	-	9,047
Other trading activities	5	135	30	-	165
Investments	6	4	-	-	4
Total		<u>181</u>	<u>9,089</u>	<u>43</u>	<u>9,313</u>
Expenditure on:					
Raising funds	7	-	37	-	37
Charitable activities:					
- Educational operations	9	114	9,485	588	10,187
Total	7	<u>114</u>	<u>9,522</u>	<u>588</u>	<u>10,224</u>
Net income/(expenditure)		67	(433)	(545)	(911)
Transfers between funds	20	(10)	(11)	21	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	359	-	359
Net movement in funds		57	(85)	(524)	(552)
Reconciliation of funds					
Total funds brought forward		628	(4,392)	15,079	11,315
Total funds carried forward		<u>685</u>	<u>(4,477)</u>	<u>14,555</u>	<u>10,763</u>

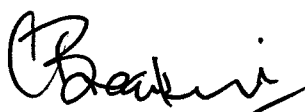
COMPASS EDUCATION TRUST LTD

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	28,405	14,591
Current assets			
Stocks	14	8	4
Debtors	15	627	292
Cash at bank and in hand		2,261	1,440
		<u>2,896</u>	<u>1,736</u>
Current liabilities			
Creditors: amounts falling due within one year	16	<u>(1,739)</u>	<u>(1,020)</u>
Net current assets		<u>1,157</u>	<u>716</u>
Total assets less current liabilities		<u>29,562</u>	<u>15,307</u>
Creditors: amounts falling due after more than one year	17	<u>(21)</u>	<u>(29)</u>
Net assets excluding pension liability		<u>29,541</u>	<u>15,278</u>
Defined benefit pension scheme liability	22	<u>(7,219)</u>	<u>(4,515)</u>
Total net assets		<u>22,322</u>	<u>10,763</u>
Funds of the Academy Trust:			
Restricted funds	20		
- Fixed asset funds		28,381	14,555
- Restricted income funds		47	38
- Pension reserve		<u>(7,219)</u>	<u>(4,515)</u>
Total restricted funds		<u>21,209</u>	<u>10,078</u>
Unrestricted income funds	20	<u>1,113</u>	<u>685</u>
Total funds		<u>22,322</u>	<u>10,763</u>

The Financial Statements on pages 23 to 52 were approved by the Trustees and authorised for issue on 10 December 2018 and are signed on their behalf by:



C Breathwick
Chair of Trustees

Company Number 07666213

COMPASS EDUCATION TRUST LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	23	(59)	54
Cash funds transferred on conversion		675	-
		<u>616</u>	<u>54</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		3	4
Capital grants from DfE Group		587	43
Purchase of tangible fixed assets		<u>(378)</u>	<u>(54)</u>
Net cash provided by/(used in) investing activities		212	(7)
Cash flows from financing activities			
Repayment of long term loan		<u>(7)</u>	<u>(8)</u>
Net cash used in financing activities		<u>(7)</u>	<u>(8)</u>
Net increase in cash and cash equivalents in the reporting period		821	39
Cash and cash equivalents at beginning of the year		<u>1,440</u>	<u>1,401</u>
Cash and cash equivalents at end of the year		<u><u>2,261</u></u>	<u><u>1,440</u></u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Compass Education Trust Ltd meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Transfer in to the academy trust

The transfer of an existing academy into the academy trust involves the transfer of identifiable assets and liabilities and the operation of the academy for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from The Bromfords School and Sixth Form College (company number 08326579) to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer of existing academy into the trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

1.4 Income

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

Grants

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

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

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold land is not depreciated

Freehold buildings	2% Straight Line
Computer equipment	33.33% Straight Line
Fixtures, fittings & equipment	10% Straight Line
Motor vehicles	10% Straight Line

Fixed Assets Transfer from the Predecessor School

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at fair value, based on existing use.

Buildings

In accordance with the requirements of FRS 102, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set).

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

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

1.12 Pensions benefits

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

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1.13 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

1.14 Agency arrangement

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 27.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Donations	29	44	73	54
Capital grants	-	587	587	43
	<u>29</u>	<u>631</u>	<u>660</u>	<u>97</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	12,974	12,974	8,114
Other DfE group grants	-	615	615	203
	<u>-</u>	<u>13,589</u>	<u>13,589</u>	<u>8,317</u>
Other government grants				
Local authority grants	-	389	389	94
	<u>-</u>	<u>389</u>	<u>389</u>	<u>94</u>
Other funding				
Catering income	3	552	555	352
Other incoming resources	14	366	380	284
	<u>17</u>	<u>918</u>	<u>935</u>	<u>636</u>
Total funding	<u>17</u>	<u>14,896</u>	<u>14,913</u>	<u>9,047</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	156	-	156	129
Sales and commission	5	-	5	36
	<u>161</u>	<u>-</u>	<u>161</u>	<u>165</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	<u>3</u>	<u>-</u>	<u>3</u>	<u>4</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Expenditure on raising funds					
- Direct costs	25	-	10	35	37
Academy's educational operations					
- Direct costs	10,796	705	1,027	12,528	7,776
- Allocated support costs	2,294	1,259	1,068	4,621	2,411
	<u>13,115</u>	<u>1,964</u>	<u>2,105</u>	<u>17,184</u>	<u>10,224</u>

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	9	9
- Other services	8	5
Operating lease rentals	20	23
Depreciation of tangible fixed assets	881	588
Net interest on defined benefit pension liability	202	92

Included within expenditure are the following transactions:

	2018 £
Gifts made by the Academy Trust - total	<u>1,940</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the year was £1,940 (and not £1,940k).

8 Central services

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services;
- payroll services.

The Academy Trust charges for these services on the following basis:

- flat percentage of income (3.9% of GAG funding).

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services

The amounts charged during the year were as follows:	2018 £'000	2017 £'000
The Billericay School	265	
The Bromfords School and Sixth Form College	169	
	<u>434</u>	<u>-</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	15	12,513	12,528	7,776
Support costs				
Educational operations	306	4,315	4,621	2,411
	<u>321</u>	<u>16,828</u>	<u>17,149</u>	<u>10,187</u>

Analysis of costs	2018 £'000	2017 £'000
Direct costs		
Teaching and educational support staff costs	10,796	6,696
Staff development and expenses	74	31
Depreciation	705	471
Educational supplies and services	373	156
Examination fees	272	179
Educational consultancy	17	6
Other direct costs	291	237
	<u>12,528</u>	<u>7,776</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

Support costs

Support staff costs	1,778	884
Defined benefit pension scheme - staff costs (FRS102 adjustment)	516	298
Depreciation	176	117
Technology costs	223	108
Maintenance of premises and equipment	614	244
Cleaning	47	32
Energy costs	226	129
Rent, rates and other occupancy costs	120	61
Insurance	66	41
Security and transport	10	4
Catering	353	207
Defined benefit pension scheme - finance costs (FRS102 adjustment)	202	92
Other support costs	270	181
Governance costs	20	13
	<u>4,621</u>	<u>2,411</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	9,665	5,826
Social security costs	954	596
Pension costs	1,610	983
Defined benefit pension scheme - staff costs (FRS102 adjustment)	516	298
Staff costs	<u>12,745</u>	<u>7,703</u>
Agency staff costs	353	171
Staff restructuring costs	17	34
Total staff expenditure	<u>13,115</u>	<u>7,908</u>

Staff restructuring costs comprise:

Redundancy payments	8	29
Severance payments	9	5
	<u>17</u>	<u>34</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9k (2017: £5k). This related to a single payment of £9k made on 31/12/2017.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff numbers

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

	2018 Number	2017 Number
Teachers	157	104
Administration and support	226	157
Management	22	7
Consortium staff	9	-
	<u>414</u>	<u>268</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	140	98
Administration and support	124	72
Management	22	7
Consortium staff	7	-
	<u>293</u>	<u>177</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	4	4
£70,001 - £80,000	2	-
£80,001 - £90,000	1	-
£110,001 - £120,000	1	1
	<u>8</u>	<u>5</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,250,009.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

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

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

A Mohammed (Headteacher from 1 September 2015):

- Remuneration : £115,000 - £120,000 (2017: £115,000 - £120,000)
- Employer's pension contributions : £15,000 - £20,000 (2017: £15,000 - £20,000)

During the year, expenses totalling £1,369 (2017: £1,013) were reimbursed or paid directly to 1 Trustee (2017: 2 Trustees). Expenses were incurred in performing the normal duties of employment.

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

12 Trustees and officers insurance

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

13 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2017	16,597	54	728	27	17,406
Transfer in from existing academy	14,094	99	124	-	14,317
Additions	225	7	146	-	378
At 31 August 2018	30,916	160	998	27	32,101
Depreciation					
At 1 September 2017	2,541	54	217	3	2,815
Charge for the year	731	35	112	3	881
At 31 August 2018	3,272	89	329	6	3,696
Net book value					
At 31 August 2018	27,644	71	669	21	28,405
At 31 August 2017	14,056	-	511	24	14,591

Included within freehold land and buildings is freehold land valued at £6,215k.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14	Stocks	2018	2017
		£'000	£'000
	Catering and uniform stock	8	4
		<u>8</u>	<u>4</u>
15	Debtors	2018	2017
		£'000	£'000
	Trade debtors	29	1
	VAT recoverable	174	49
	Other debtors	196	137
	Prepayments and accrued income	228	105
		<u>627</u>	<u>292</u>
16	Creditors: amounts falling due within one year	2018	2017
		£'000	£'000
	Loans	10	9
	Trade creditors	375	251
	Other taxation and social security	242	147
	Other creditors	204	126
	Accruals and deferred income	908	487
		<u>1,739</u>	<u>1,020</u>
17	Creditors: amounts falling due after more than one year	2018	2017
		£'000	£'000
	Loans	21	29
		<u>21</u>	<u>29</u>
	Analysis of loans		
	Wholly repayable within five years	31	38
	Less: included in current liabilities	(10)	(9)
		<u>21</u>	<u>29</u>
	Amounts included above	<u>21</u>	<u>29</u>
	Loan maturity		
	Debt due in one year or less	10	9
	Due in more than one year but not more than two years	10	9
	Due in more than two years but not more than five years	11	20
		<u>31</u>	<u>38</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18	Deferred income	2018 £'000	2017 £'000
	Deferred income is included within:		
	Creditors due within one year	<u>602</u>	<u>455</u>
	Deferred income at 1 September 2017	455	474
	Released from previous years	(455)	(474)
	Resources deferred in the year	<u>602</u>	<u>455</u>
	Deferred income at 31 August 2018	<u>602</u>	<u>455</u>

Deferred income at 31 August 2018 of £602k (2017: £455k) is represented by income deferred under agency arrangements of £341k (2017: £370k), donation and charity income of £6k (2017: £3k), catering income of £17k (2017: £16k), trips income of £157k (2017: £53k), grant / bursary income of £16k (2017: £nil), rates grant £42k (2017: £nil) and other activities of £23k (2017: £13k). Further information in respect of the income deferred under agency arrangements is given in note 27.

19	Financial instruments	2018 £'000	2017 £'000
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	<u>2,486</u>	<u>1,578</u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	<u>(916)</u>	<u>(447)</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	1	12,974	(13,066)	91	-
Other DfE / ESFA grants	-	218	(219)	1	-
Pupil Premium	-	397	(394)	9	12
Other government grants	-	389	(389)	-	-
Other restricted funds	37	1,063	(964)	(101)	35
Pension reserve	(4,515)	(3,523)	(718)	1,537	(7,219)
	<u>(4,477)</u>	<u>11,518</u>	<u>(15,750)</u>	<u>1,537</u>	<u>(7,172)</u>
Restricted fixed asset funds					
Transfer on conversion	9,272	14,317	(674)	(3)	22,912
DfE group capital grants	4,882	587	(376)	-	5,093
Capital expenditure from GAG and other funds	401	-	(63)	38	376
	<u>14,555</u>	<u>14,904</u>	<u>(1,113)</u>	<u>35</u>	<u>28,381</u>
Total restricted funds	<u>10,078</u>	<u>26,422</u>	<u>(16,863)</u>	<u>1,572</u>	<u>21,209</u>
Unrestricted funds					
General funds	<u>685</u>	<u>784</u>	<u>(321)</u>	<u>(35)</u>	<u>1,113</u>
Total funds	<u>10,763</u>	<u>27,206</u>	<u>(17,184)</u>	<u>1,537</u>	<u>22,322</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants, if any, are also held in this fund and their use is restricted to the capital projects for which the grant was paid. These balances are offset by any capital loan balance.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the trustees, to support any of the company's charitable purposes.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	8,114	(8,113)	-	1
Other DfE / ESFA grants	-	7	(7)	-	-
Pupil Premium	-	196	(196)	-	-
Other government grants	-	94	(94)	-	-
Other restricted funds	92	678	(722)	(11)	37
Pension reserve	(4,484)	-	(390)	359	(4,515)
	<u>(4,392)</u>	<u>9,089</u>	<u>(9,522)</u>	<u>348</u>	<u>(4,477)</u>
Restricted fixed asset funds					
Transfer on conversion	9,676	-	(404)	-	9,272
DfE group capital grants	4,956	43	(117)	-	4,882
Capital expenditure from GAG and other funds	447	-	(67)	21	401
	<u>15,079</u>	<u>43</u>	<u>(588)</u>	<u>21</u>	<u>14,555</u>
Total restricted funds	<u>10,687</u>	<u>9,132</u>	<u>(10,110)</u>	<u>369</u>	<u>10,078</u>
Unrestricted funds					
General funds	<u>628</u>	<u>181</u>	<u>(114)</u>	<u>(10)</u>	<u>685</u>
Total funds	<u>11,315</u>	<u>9,313</u>	<u>(10,224)</u>	<u>359</u>	<u>10,763</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	21,088	(21,179)	91	-
Other DfE / ESFA grants	-	225	(226)	1	-
Pupil Premium	-	593	(590)	9	12
Other government grants	-	483	(483)	-	-
Other restricted funds	92	1,741	(1,686)	(112)	35
Pension reserve	(4,484)	(3,523)	(1,108)	1,896	(7,219)
	<u>(4,392)</u>	<u>20,607</u>	<u>(25,272)</u>	<u>1,885</u>	<u>(7,172)</u>
Restricted fixed asset funds					
Transfer on conversion	9,676	14,317	(1,078)	(3)	22,912
DfE group capital grants	4,956	630	(493)	-	5,093
Capital expenditure from GAG and other funds	447	-	(130)	59	376
	<u>15,079</u>	<u>14,947</u>	<u>(1,701)</u>	<u>56</u>	<u>28,381</u>
Total restricted funds	<u>10,687</u>	<u>35,554</u>	<u>(26,973)</u>	<u>1,941</u>	<u>21,209</u>
Unrestricted funds					
General funds	<u>628</u>	<u>965</u>	<u>(435)</u>	<u>(45)</u>	<u>1,113</u>
Total funds	<u>11,315</u>	<u>36,519</u>	<u>(27,408)</u>	<u>1,896</u>	<u>22,322</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
The Billericay School	793	723
The Bromfords School and Sixth Form College	351	
Central services	16	-
	<u>1,160</u>	<u>723</u>
Total before fixed assets fund and pension reserve	1,160	723
Restricted fixed asset fund	28,381	14,555
Pension reserve	(7,219)	(4,515)
	<u>22,322</u>	<u>10,763</u>
Total funds	<u>22,322</u>	<u>10,763</u>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
The Billericay School	6,508	1,123	158	1,451	9,240
The Bromfords School and Sixth Form College	4,133	995	215	1,296	6,639
Central services	156	201	-	68	425
	<u>10,797</u>	<u>2,319</u>	<u>373</u>	<u>2,815</u>	<u>16,304</u>

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	28,405	28,405
Current assets	1,127	1,762	7	2,896
Creditors falling due within one year	(14)	(1,715)	(10)	(1,739)
Creditors falling due after one year	-	-	(21)	(21)
Defined benefit pension liability	-	(7,219)	-	(7,219)
	<u>1,113</u>	<u>(7,172)</u>	<u>28,381</u>	<u>22,322</u>
Total net assets	<u>1,113</u>	<u>(7,172)</u>	<u>28,381</u>	<u>22,322</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	14,591	14,591
Current assets	685	1,049	2	1,736
Creditors falling due within one year	-	(1,011)	(9)	(1,020)
Creditors falling due after one year	-	-	(29)	(29)
Defined benefit pension liability	-	(4,515)	-	(4,515)
Total net assets	685	(4,477)	14,555	10,763

22 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £204k (2017: £125k) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,073k (2017: £699k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.8% to 23.3% for employers and 2.75% to 8.5% for employees.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 28) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	548	299
Employees' contributions	150	87
Total contributions	698	386

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.80	4.2
Rate of increase for pensions in payment/inflation	2.30	2.7
Discount rate for scheme liabilities	2.65	2.6

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

	2018 Years	2017 Years
Retiring today		
- Males	22.3	22.2
- Females	24.8	24.7
Retiring in 20 years		
- Males	24.5	24.3
- Females	27.1	27.0

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

	2018 £'000	2017 £'000
Discount rate + 0.1%	13,195	8,116
Discount rate - 0.1%	13,766	8,450
Mortality assumption + 1 year	13,940	8,562
Mortality assumption - 1 year	13,030	8,009

Defined benefit pension scheme net liability

Scheme assets	6,258	3,766
Scheme obligations	(13,477)	(8,281)
Net liability	(7,219)	(4,515)

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations

The Academy Trust's share of the assets in the scheme	2018 Fair value £'000	2017 Fair value £'000
Equities	3,984	2,456
Gilts	334	235
Other Bonds	366	147
Cash	213	116
Property	558	365
Other assets	803	447
Total market value of assets	<u>6,258</u>	<u>3,766</u>

The actual return on scheme assets was £353,000 (2017: £48,000).

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	1,064	597
Interest income	(147)	(75)
Interest cost	349	167
Total operating charge	<u>1,266</u>	<u>689</u>

Changes in the present value of defined benefit obligations	2018 £'000
At 1 September 2017	8,281
Obligations acquired on conversion	5,173
Current service cost	1,052
Interest cost	349
Employee contributions	150
Actuarial gain	(1,331)
Benefits paid	(207)
Effect of non-routine settlements and administration expenses	10
At 31 August 2018	<u>13,477</u>

COMPASS EDUCATION TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations

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

	2018
	£'000
At 1 September 2017	3,766
Assets acquired on conversion	1,650
Interest income	145
Actuarial (gain)/loss	206
Employer contributions	548
Employee contributions	150
Benefits paid	(207)
	<hr/>
At 31 August 2018	<u>6,258</u>

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

	2018	2017
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	10,022	(911)
Adjusted for:		
Net surplus on conversion to academy	(11,469)	-
Capital grants from DfE/ESFA and other capital income	(587)	(43)
Investment income receivable	(3)	(4)
Defined benefit pension costs less contributions payable	516	298
Defined benefit pension net finance cost	202	92
Depreciation of tangible fixed assets	881	588
(Increase) in stocks	(4)	(2)
(Increase)/decrease in debtors	(335)	72
Increase/(decrease) in creditors	718	(36)
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	<u>(59)</u>	<u>54</u>

24 Commitments under operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£'000	£'000
Amounts due within one year	17	10
Amounts due in two and five years	11	4
	<hr/>	<hr/>
	<u>28</u>	<u>14</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Billericay Sports Centre Limited (Company No. 07205273, England & Wales) is a related party by virtue of its directors also being directors of the Academy Trust.

During the year the Academy Trust received a donation of £19k (2017: £25k) from Billericay Sports Centre Limited ("the company"). The Academy Trust also incurs costs on behalf of the company for which it is reimbursed, collected by the company on behalf of the Academy Trust. At the year end, the Academy Trust was owed £55k (2017: £62k), which is included within debtors. As the company operates with no retained earnings and no net assets, no consolidation has been prepared as there would be no impact on the academy's reserves.

Billericay Community Trust (Company No. 06997931) is a related party by virtue of its director also being a director of the Academy Trust.

During the year the Academy Trust received £8k (2017: £9k) from Billericay Community Trust and incurred expenditure of £nil (2017: £5k). No balances were outstanding at 31 August 2018.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2017.

26 Members' liability

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

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Agency arrangements

The academy trust distributes various funds as an agent. In the accounting period ending 31 August 2018 the academy undertook the following transactions in the capacity as agent:

16-19 Bursary Funding

- Funds received - £35,796 (2017: £23,293)
- Disbursements - £(19,652) (2017: £(22,985))
- Unspent balance - £16,144 (2017: £308)

Salaried Direct Funding

- Funds received - £25,709 (2017: £17,000)
- Disbursements - £(25,709) (2017: £(17,000))
- Unspent balance - £nil (2017: £nil)

SCITT Bursary Funding

- Funds received - £457,100 (2017: £582,100)
- Disbursements - £(431,600) (2017: £(560,100))
- Unspent balance - £25,500 (2017: £22,000)

Billericay Education Consortium School Centred Initial Teacher Training (BEC SCITT)

- Funds received - £694,679 (2017: £784,885)
- Disbursements - £(527,830) (2017: £(584,921))
- Unspent balance - £166,848 (2017: £199,964)

Teaching School Alliance

- Funds received - £264,382 (2017: £250,047)
- Disbursements - £(148,091) (2017: £(126,993))
- Unspent balance - £116,290 (2017: £123,055)

14-19 Funding

- Funds received - £2,724 (2017: £17,420)
- Disbursements - £nil (2017: £(14,696))
- Unspent balance - £2,724 (2017: (£2,724))

Behaviour and Attendance Partnership (BAP)

- Funds received - £34,628 (2017: £39,238)
- Disbursements - £(30,649) (2017: £(37,009))
- Unspent balance - £3,979 (2017: £2,229)

Billericay Music Association

- Funds received - £13,555 (2017: £11,694)
- Disbursements - £(2,133) (2017: £(2,963))
- Unspent balance - £11,423 (2017: £8,731)

Consortium for School Improvement (CSI)

- Funds received - £16,925 (2017: £13,684)
- Disbursements - £(2,512) (2017: £(2,759))
- Unspent balance - £14,412 (2017: £10,925)

Basildon Sports Association

- Funds received - £2,377 (2017: £1,581)
- Disbursements - £(2,124) (2017: £(2,235))
- Unspent balance - £253 (2017: £(654))

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

28 Transfer in to the academy trust

On 01 September 2017 The Bromfords School and Sixth Form College joined the academy trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Compass Education Trust Ltd from the company 'The Bromfords School and Sixth Form College' (company number 08326579) for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of existing academy into the trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
The Bromfords School and Sixth Form College	Essex	1 September 2017

	2018 £'000
Net assets transferred:	
Freehold land and buildings	14,094
Other tangible fixed assets	223
Cash	675
LGPS pension surplus/(deficit)	(3,523)
	<u>11,469</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	14,317	14,317
LA budget funds	-	101	-	101
LGPS pension funds	-	(3,523)	-	(3,523)
Other funds	574	-	-	574
	<u>574</u>	<u>(3,422)</u>	<u>14,317</u>	<u>11,469</u>