



COMPASS EDUCATION TRUST LTD

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 2020

CEO: Mr Ahson Mohammed

The 'Compass Education Trust Limited' is a charitable company limited by guarantee.

Registered company no: 07666213. Registered office: The Billericay School, School Road, Billericay, CM12 9LH

COMPASS EDUCATION TRUST LTD

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COMPASS EDUCATION TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Colin Breathwick
Susan Hammond – until 10th July 2020
Patrick Rothern
Peter Walker

Trustees

Colin Breathwick (Chair of Trustees until 21.09.2020)
Ian Miller (Chair of Trustees wef 21.09.2020)
Martin Clark
David Franklin
Sandra Hillier until 14th July 2020
Jane Lyon
Stewart Martin
Ahson Mohammed (CEO)

The Billericay School Local Governing Body

Janet Coughlan (until 10.04.2020)
Georgina Fox (until 17.02.2020)
Julie Garrard (until 10.09.2019)
Patrick John
Doreen Knight
Val Manchee
Peter Owen
Lee Patmore
Jon Payne
Gary Shields
Ian Thompson
Stuart Waters

The Bromfords School & Sixth Form Local Governing Body

Paul Whalley (chair - wef 17.9.19)
Lucy Norman
Tony Parfett
Mark Freeman
Emma Huet
Don Morris
Carole Morris
Adam Knott (until 10.02.2020)

COMPASS EDUCATION TRUST LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Leadership teams

- CEO & Billericay School Headteacher	Ahson Mohammed
- Acting Head of School (Bromfords)	Martin Coulson until 30 November 2019
- Acting Headteacher (Bromfords)	Ahson Mohammed (1 st Dec 2019 to 19 th April 2020)
- Appointed Headteacher (Bromfords)	Neil Dunn from 20 April 2020
- Deputy Headteacher (Billericay)	Shirley Smears (until 31.12.2020)
- Deputy Headteacher (Billericay)	Patrick Berry
- Deputy Headteacher Pastoral (Billericay)	Charlotte Berry (wef 01.11.2020)
- Deputy Headteacher (Bromfords)	Martin Coulson (wef 01.12.2019)
- Deputy Headteacher (Bromfords)	Jochen Tree
- Trust Business & Finance Manager	Mandy Little (until 30 th November 2020)
- Trust Business & Finance Manager	Tracy Brunning (wef 25 th September 2020)
- Assistant Headteacher (Billericay)	Charlotte Berry (until 30.10.2020)
- Assistant Headteacher (Billericay)	Karen Cooper
- Assistant Headteacher (Billericay)	Kate Dempster
- Assistant Headteacher (Billericay)	Phil Parkin
- Assistant Headteacher (Billericay)	Fiona Smith
- Assistant Headteacher (Billericay)	Katherine Hewat-Jaboor (wef 01.09.2020)
- Assistant Headteacher (Bromfords)	Amy Clark
- Assistant Headteacher (Bromfords)	Emma Huet
- Assistant Headteacher (Bromfords)	Brett Haines
- Assistant Headteacher (Bromfords)	Lorraine Briffaut
- Assistant Headteacher (Bromfords)	Rebecca Clout

Academies

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

Company Secretary

Manuela Gordea (wef 30.09.2019)
Jennifer Ann Moore (until 30.09.2019)

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 9AL

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020. 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 2019/20 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 2695 students on roll in the school census at January 2020. (1653 at Billericay and 1046 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.
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COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 book onto external training sessions as and when relevant. During this year, governors and trustees training took place on three days, provided by an external coach.

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 holds an AGM, within the total number of the 6 meetings.

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 Headteacher role at The Billericay School. Martin Coulson was the Acting Head of School at The Bromfords School & Sixth Form College until 30th November 2019. Between 1st December 2019 and 19th April 2020, Ahson Mohammed acted as Headteacher for the Bromfords School and Sixth Form College. Following a Headteacher Recruitment process that commenced in July 2019 and finished on 1st October 2019 a new Headteacher, Neil Dunn, was appointed, and has started on 20 April 2020.

The CEO is the Trust's Accounting Officer and Jennifer Ann Moore held the role of the Company Secretary (until 30.09.2019). The Trust has successfully planned and recruited a Trust Services, Governance and Compliance Manager who started in January 2019 and was appointed as Company Secretary to the Trust Board Meeting from 30.09.2019. The Trust Business & Finance Manager is the Principal Finance Officer of the Trust.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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 Headteacher roles). 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

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 Pay bill	£13,152k
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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COMPASS EDUCATION TRUST LTD

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FOR THE YEAR ENDED 31 AUGUST 2020

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 are held in the trust's bank accounts, however the transactions removed from the accounts and reserve balances at year end.

Engagement with employees (including disabled persons)

The Trust places immense value on the involvement of its employees. We have continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Trust. This is achieved through formal and informal meetings, team briefings and internal newsletters/updates. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

In respect of disabled persons, the policy of the Trust is to support recruitment and retention of students, staff and Trustees/Governors with disabilities. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of all the schools. The Trust does this by adapting the physical environment, making support resources available and through relevant training. Our policy is to promote the career development and promotion of disabled persons, irrespective of the nature of their disability and we will provide whatever assistance we reasonably can in order to support the individual in meeting their career goals, ensuring that there is a 'level playing field' for all.

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

The Trust recognises the importance of maintaining good business relationships with its suppliers. We have a clear procurement policy to ensure that suppliers are treated in an even-handed manner. The performance of and relationship with key suppliers is constantly monitored to ensure that we treat suppliers fairly, ensuring that payment terms are adhered to and that we comply with contractual obligations placed upon the Trust. We encourage an open and ongoing dialogue with suppliers to ensure that we conduct our business with them in a professional commercial manner.

Our objects and aims, described below, put students at the heart of all that we do. We have described our main achievements within the Strategic Report and also how we have performed against our objectives. We are committed to ensuring that we maintain strong and effective relationships with students, parents and wider stakeholders in the community.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

Objectives, strategies and activities

Our main objectives during the 2019/2020 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 Compass Education Trust is organised effectively and puts in place the necessary policies and arrangements to ensure the success of its academies

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.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report - Achievements and performance

The Billericay School

- At GCSE, 79% of students achieved Grade 4+ in both English & Maths (Standard Pass) and 58% achieved Grade 5+ in both (Strong Pass).
- The Progress 8 Score achieved by Year 11 students was estimated to be -0.04 using internal data; the DfE are not publishing national performance tables this academic year.
- The Attainment 8 Score rose by 5.8 points this year to give an average GCSE outcome of Grade 5 (5.35).
- Post 16, 47% 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 continues 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; the replacement of the boiler for A Block has been successfully completed, and a partial replacement of the heating infrastructure was completed during lockdown (zone off with separate pumps). Science room (C14) had new ceiling, lights, flooring, redecoration and a new whiteboard. The school has also installed a new hot water system in the school kitchen.

The Bromfords School & Sixth Form College

- At GCSE, 56% of students achieved Grade 4 in both English & Maths (Standard Pass) and 29% achieved Grade 5 in both (Strong Pass).
- The Attainment 8 Score was 42.4 in comparison to the 2019 figure of 26.0; there is no Progress 8 figure for 2020 as a result of Centre Assessed Grades being used to determine outcomes.
- Post 16, the average pass grade was B3 was in comparison to C2 in 2019 with 53% of all A Levels taken by Year 13 students achieving grades A*B and 100% achieving grades A*E.
- Post 16, students studying Applied General or Tech Level courses achieved, on average, a Distinction with 46% of all grades at D*/D.
- The School was oversubscribed for Year 7 for the second year with a waiting list in operation
- The school's ASC remains at full capacity and is over subscribed. The local authority continues to commend the provision for vulnerable students.
- A number of capital improvements were carried out, including the Electrical works that were completed in 19/20 final retention invoice paid. The 19/20 CIF Bid for Sport Centre Roof was approved, work started in September 2020.
- Martin Coulson was the Acting Head of School at The Bromfords School & Sixth Form College. Following a Headteacher Recruitment Process started in July 2019 and finished on 1st October 2019 a new Headteacher was appointed, Neil Dunn, and he started on 20 April 2020.

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FOR THE YEAR ENDED 31 AUGUST 2020

Multi Academy Trust

- The Trust changed its name on 1st September 2017 to become the Compass Education Trust Ltd. A Trust Board was set up comprising members of the former governing bodies of The Billericay School and The Bromfords School and Sixth Form College. A Scheme of Delegation and governance plan is 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.
- A new financial system has been implemented: PS Financial.

Coronavirus Impact

- The coronavirus has had a major impact on the education of children. The lockdown has had a detrimental impact on every aspect of education, due to disruption to teaching/learning time. Teachers in both schools faced very difficult educational challenges. They have had to learn new technical skills in order to be able to provide remote learning via Google Classroom and Microsoft Teams. Teachers continued to set and monitor work throughout the lockdown. IT access was provided for some students in order for them to access the remote learning.
- Risk assessments were carried out in both schools for reopening.
- The schools welcomed back students in Year 10 and Year 12 in Mid-June 2020.
- Free school meals were provided during the lockdown, including the holidays.
- The new methodology for examinations was followed by both schools, as the summer 2020 exams were cancelled. Teachers had to assign Centre Assessment Grades for all subjects. The algorithm used by Ofqual did lead to some disadvantage for Y13 gaining entry to Higher Education places and even though this was later changed to allow Centre Assessment Grades to stand, it was too late for some students who had lost their university places. The Centre Assessment Grade is the teacher's professional judgement of the grade the student would most likely have achieved if they had sat exams this summer and completed any non-exam assessment.
- During lockdown, both schools showed a real interest for staff wellbeing and strategies were put in place to ensure that nobody was isolated or out of touch.
- All vulnerable children received weekly phone calls from SENCOs in both schools, in particular the ones with EHCP.
- Both schools have remained compliant in their safeguarding procedures. All students have been monitored and if they did not check in via the remote platform, parents have been/ are contacted.
- Schools have stayed open for the key worker children throughout.
- Admission appeals took place remotely via Zoom.
- Staff Recruitment has proven to be a challenge, both due to availability of staff and social distancing, as all interviews were conducted online.
- Both, the local governing body meetings and trust board meetings took place online, via Zoom and were very well attended.
- The Billericay Sports Centre staff were paid via the furlough scheme.
- All trips were cancelled, as per the Foreign Office advice. RPA reimbursed the schools for losses incurred.
- The cleaning regime has been modified to accommodate a deep cleaning of the schools.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

From a financial point of view

- The impact of Covid-19 was impossible to predict at the time of setting the original budget.
- There has been a large increase in cleaning consumable costs this term to ensure adequate sanitiser and hygiene across the schools.
- The trust has employed additional cleaners and hired portaloos to ensure our schools have adequate facilities for the students and all communal areas are cleaned regularly.
- The hire income has drastically reduced due to the restrictions in place and the lockdown.
- Both schools have suffered from a reduction in catering income due to the necessity of keeping year groups separate to maintain social distancing.

The Trust Board wish to acknowledge and salute the efforts and commitment by all staff on their extraordinary additional workload to maintain a level of tuition services during this very challenging period. Their creativity in adapting teaching and monitoring techniques is a tribute to their commitment to the schools and the students in their care.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators for academies

Billericay School

		2019 /20	2018 /19	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+ (Strong Pass) in English & Maths (from 2017)	58%	48%	49%	40%			
	% Achieving 4+ (Standard Pass) in English & Maths (from 2017)	79%	72%	74%	66%			
	Average capped point score (new measures from 2016)					50.9 2	332. 7	318.9
	Attainment 8 score (new from 2017)	53.5	50.0 9	50.0 9	46.9	46.8		
	Progress 8 score (new from 2016)	0.04	0.33	0.13	-0.3	0.09		
A level	% achieving A* - B grades	47%	48%	41%	53%	44%	44%	44%
	% pass rate	99%	99.4 %	99%	98%	99%	96%	99%
Total staffing costs	% salary costs as proportion of all grant income	77.0 3%	85.7 4%	84.7 7%	87.8 9%	86.5 8%	85.4 9%	80.38 %
Teaching costs	% teaching costs as proportion of all grant income	58.4 8%	63.8 3%	62.1 4%	65.8 6%	64.6 9%	64.2 2%	60.34 %
total Admin staffing	% admin staffing as proportion of all grant income	3.92 %	4.85 %	4.35 %	5.54 %	5.65 %	5.13 %	4.85 %
Learning Support	% spent on learning support staff costs as a proportion of grant income	2.44 %	3.14 %	3.03 %	3.51 %	4.18 %	3.57 %	3.56 %
Educational resources	% spent on dept educational resources (excl IT) as proportion of GAG	1.04 %	1.39 %	1.42 %	1.70 %	2.61 %	2.70 %	2.69 %
Staff development	% spent on staff development activities as a proportion of GAG	0.23 %	0.28 %	0.28 %	0.24 %	0.42 %	0.50 %	0.46 %

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Bromfords School

		2019/ 2020	2018/ 19	2017/ 18	2016 /17	2015 /16	2014 /15	2013 /14
GCSE	% achieving 5 x A* - C passes with English & Maths **	54%	41%					
	% Achieving 5 x A* to C Basics (Eng & Maths) Scoring 4+	56%	43%	48%	60%			
	Scoring 5+	29%	20%	27%	33%			
	Average capped point score (new measures from 2016)	n/a	n/a					
	Attainment 8 score (new from 2017)	42.4	36	3.87	403			
	Progress 8 score (new from 2016)	n/a	-0.6		-0.09			
A level	% achieving A* - B grades	53%	25%	45	43			
	% pass rate	100%	96%	98	98			
Total staffing costs	% salary costs as proportion of all grant income	86.78 %	87.04 %	89.60 %				
Teaching costs	% teaching costs as proportion of all grant income	57.19 %	55.81 %	56.95 %				
total Admin staffing	% admin staffing as proportion of all grant income	6.07%	7.44%	7.14 %				
Learning Support	% spent on learning support staff costs as a proportion of grant income	3.19%	4.72%	5.87 %				
Educational resources	% spent on dept educational resources (excl IT) as proportion of GAG	1.28%	1.21%	1.22 %	1.70 %	2.61 %	2.70 %	2.69 %
Staff development	% spent on staff development activities as a proportion of GAG	0.48%	0.34%	0.48 %	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*

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.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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").

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	2020 £'000	2019 £'000
GAG	Restricted General Funds	0	0
Other DfE/ESFA Grants	Restricted General Funds	46	0
Other Income	Restricted General Funds	0	0
Sub-total General Restricted Funds		46	0
Unspent Capital Grants	Restricted Fixed Asset Fund	233	52
Salix Capital loan balance	Restricted Fixed Asset Fund	(11)	(21)
Other Income	Unrestricted General Fund	834	1,103
Sub-Total Funds available for spending		1,102	1,134
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	27,201	27,752
Share of LGPS Deficit	Restricted Pension Reserve	(10,113)	(9,004)
Total All Funds		<u>18,190</u>	<u>19,882</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

During the year under review there was an increase of £46k (2019: decrease of £47k) on general restricted funds, a decrease of £269k (2019: decrease of £10k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall decrease of £1,692k (2019: decrease of £2,440k).

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 2020, the trust held reserves of £880k (2019: £1,103k). A proportion of these funds will be used in 2020/21 to support an in-year budget deficit due to the impact of Covid 19, and to contribute to capital projects at both academies.

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.

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 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 process, including scrutiny by both the trustees and local school governors of actual financial performance, mitigates the risks.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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 received 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 2020 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, 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.

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting (SECR)

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	3,848,999
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none">• gas,• electricity,• transport fuel	2,654,077 1,190,125 4,797
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Owned transport – mini-buses <u>Total scope 1</u>	488.01 0.23 488.24
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	277.47
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	0.94
Total gross emissions in metric tonnes CO2e	766.64
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.28

Quantification and Reporting Methodology:-

- We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

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

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR THE FUTURE

The principal objectives over the coming year are:

The Billericay School

- To return to an ALPS score of 3 at Post 16
- To increase the number of grade 7+ GCSE outcomes for HPA students (particularly boys)
- To increase further the percentage of students achieving grade 5+ (Strong Pass) in both English and Maths
- To improve students' social space around the school
- To replace the remaining heating infrastructure in A block

The Bromfords School & Sixth Form College

- To maintain our status as an oversubscribed school in terms of year 7 entries
- To increase the numbers of students choosing Bromfords for their Sixth Form provision.
- To secure an ALPS score of 3 at Post 16.
- To continue to improve outcomes in the 'basics' measure at both the standard and strong pass.
- To focus on outcomes for boys and upper ability students.
- To further narrow the gap in attainment for all disadvantaged students.
- To increase number of skilled governors in order to have a more efficient and effective governance.

Compass Education Trust

- To adjust senior staffing responsibilities to increase capacity within the MAT
- To review GCSE and Sixth form curriculum offers
- 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 effective training to local governing bodies.
- To review the 6th form curriculum offer at both schools
- Provide the new appointed Head Teacher with necessary support;
- To endeavour the schools to remain open and offer the full curriculum as far as possible during the Covid 19 pandemic

COMPASS EDUCATION TRUST LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian trustee on behalf of others

The trust is the fund holder organisation for a number of collaborative groups, which have wider educational aims. Balances held at 31 August 2020 were as follows:

<i>Behaviour and Attendance Partnership</i>	2020: £223	(2019: £4,402)
<i>Billericay Teaching School Alliance</i>	2020: £141,243	(2019: £101,090)
<i>Consortium for School Improvement</i>	2020: £12,869	(2019: £10,216)
<i>SCITT (teacher Training)</i>	2020: £208,610	(2019: £171,067)

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 7 December 2020 and signed on its behalf by:



.....
Ian Miller
Chair of Trustees

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 7 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 (Chair until 21.09.2020)	7	7
D Franklin	7	7
M Clark	4	7
S Hillier	5	7
J Lyon	7	7
A Mohammed	7	7
S Martin	6	7
I Miller (Chair wef 21.09.2020)	6	7

Governance Reviews

During 2019/2020, the Trust continue to give full consideration to the most effective arrangements for the governance of the Multi Academy Trust. Appointments will continue to be made to the local governing bodies 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. Following government social distancing requirements, local governors have attended where possible online training, as this is a key aim to ensure they are able to fulfil their monitoring responsibilities and hold headteachers to account. More training will be provided in the future, as per indicated by a skills audit that will be done.

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 Schools
- 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

The role of the Trust board and the Local governing bodies is clearly set out in the Trust's Scheme of delegation and Terms of Reference. 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 2020.

The Trustees formed a Resources Committee during 2017/2018 to monitor matters relating to financial and staffing resources. Since 2018/2019, this arrangement has changed and the Local Governing Bodies have monitored and reviewed academy finances in detail with the Trustee board maintaining strategic oversight.

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

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Over the course of 2019/2020 the academies continued to implement further cost savings, with specific focus on a number of key budget areas, e.g. staffing, department recourses, 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.

The Trust Board and 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 committee of the GB, to ensure good use of resources and that value for money considerations are taken into account:

- Curriculum model and staffing structure
- Progress in relation to the school development plan
- Outcomes for Pupil Premium students
- Actual income and expenditure against budgets
- Budget changes
- Forecast budgets
- Cash flow and interest
- Consumption and cost of energy
- Tenders for large premises-related projects
- Cost of maintenance contracts
- Catering income and expenditure
- Sports Centre Income and Expenditure
- Sports Centre pricing policy
- 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 year ended 31 August 2020 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 year ended 31 August 2020 and up to the date of approval of the annual report and accounts. This process is reviewed annually by the Board of Trustees.

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 an external Responsible Officer ("RO") from Baxter & Co. 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.

The Responsible Officer and Baxter & Co internal assurance section carried out 3 visits during the year. External audit visits were conducted in March, July and October and in January Baxter & Co prepared the statutory accounts for the Sports Centre.

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

The revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude.

COMPASS EDUCATION TRUST LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Baxter & Co have confirmed that in accordance with the ethical standard, having concluded their engagement to support the RO for 2019/20, they will no longer provide internal scrutiny services. The Trust will therefore engage the services of an alternative provider for 2020/21.

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:

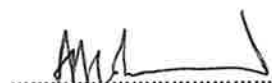
- the work of the Responsible Officer and Internal Assurance checks ;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the 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 7 December 2020 and signed on its behalf by:



Ian Miller
Chair of Trustees



A Mohammed
Accounting Officer

COMPASS EDUCATION TRUST LTD

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Compass Education Trust Ltd, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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

07 December 2020

COMPASS EDUCATION TRUST LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 07 December 2020 and signed on its behalf by:



Ian Miller
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 2020

Opinion

We have audited the Financial Statements of Compass Education Trust Ltd for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 Trustees are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. 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 2020

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 2020

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: 4 January 2021

COMPASS EDUCATION TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academies Financial Handbook 2019, issued by the ESFA.

COMPASS EDUCATION TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 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: 4 January 2021

COMPASS EDUCATION TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	22	22	289	333	435
Charitable activities:						
- Funding for educational operations	4	524	15,329	-	15,853	15,077
Other trading activities	5	181	-	-	181	186
Investments	6	11	-	-	11	9
Total		738	15,351	289	16,378	15,707
Expenditure on:						
Raising funds	7	-	34	-	34	30
Charitable activities:						
- Educational operations	9	702	15,990	903	17,595	17,040
Total	7	702	16,024	903	17,629	17,070
Net income/(expenditure)		36	(673)	(614)	(1,251)	(1,363)
Transfers between funds	20	(305)	51	254	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	22	-	(441)	-	(441)	(1,077)
Net movement in funds		(269)	(1,063)	(360)	(1,692)	(2,440)
Reconciliation of funds						
Total funds brought forward		1,103	(9,004)	27,783	19,882	22,322
Total funds carried forward		834	(10,067)	27,423	18,190	19,882

COMPASS EDUCATION TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019		Unrestricted funds	Restricted funds:		Total 2019
	Notes	£'000	General £'000	Fixed asset £'000	£'000
Income and endowments from:					
Donations and capital grants	3	39	39	357	435
Charitable activities:					
- Funding for educational operations	4	21	15,056	-	15,077
Other trading activities	5	176	10	-	186
Investments	6	9	-	-	9
Total		<u>245</u>	<u>15,105</u>	<u>357</u>	<u>15,707</u>
Expenditure on:					
Raising funds	7	-	30	-	30
Charitable activities:					
- Educational operations	9	245	15,826	969	17,040
Total	7	<u>245</u>	<u>15,856</u>	<u>969</u>	<u>17,070</u>
Net expenditure		-	(751)	(612)	(1,363)
Transfers between funds	20	(10)	(4)	14	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	22	-	(1,077)	-	(1,077)
Net movement in funds		(10)	(1,832)	(598)	(2,440)
Reconciliation of funds					
Total funds brought forward		<u>1,113</u>	<u>(7,172)</u>	<u>28,381</u>	<u>22,322</u>
Total funds carried forward		<u>1,103</u>	<u>(9,004)</u>	<u>27,783</u>	<u>19,882</u>

COMPASS EDUCATION TRUST LTD

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	27,201	27,752
Current assets			
Stocks	14	14	7
Debtors	15	638	626
Cash at bank and in hand		1,801	1,934
		2,453	2,567
Current liabilities			
Creditors: amounts falling due within one year	16	(1,350)	(1,422)
Net current assets		1,103	1,145
Total assets less current liabilities		28,304	28,897
Creditors: amounts falling due after more than one year	17	(1)	(11)
Net assets before defined benefit pension scheme liability		28,303	28,886
Defined benefit pension scheme liability	22	(10,113)	(9,004)
Total net assets		18,190	19,882
Funds of the Academy Trust:			
Restricted funds	20		
- Fixed asset funds		27,423	27,783
- Restricted income funds		46	-
- Pension reserve		(10,113)	(9,004)
Total restricted funds		17,356	18,779
Unrestricted income funds	20	834	1,103
Total funds		18,190	19,882

The Financial Statements on pages 31 to 58 were approved by the Trustees and authorised for issue on 07 December 2020 and are signed on their behalf by:



Ian Miller
Chair of Trustees

Company Number 07666213

COMPASS EDUCATION TRUST LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash used in operating activities	23	(71)	(445)
Cash flows from investing activities			
Dividends, interest and rents from investments		11	9
Capital grants from DfE Group		289	197
Capital funding received from sponsors and others		-	160
Purchase of tangible fixed assets		(352)	(238)
Net cash (used in)/provided by investing activities		(52)	128
Cash flows from financing activities			
Repayment of long term loan		(10)	(10)
Net cash used in financing activities		(10)	(10)
Net decrease in cash and cash equivalents in the reporting period		(133)	(327)
Cash and cash equivalents at beginning of the year		1,934	2,261
Cash and cash equivalents at end of the year		1,801	1,934

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 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.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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 and 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).

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Financial assets

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

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

Financial liabilities

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

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

1.9 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.

1.10 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.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.12 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.

1.13 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 29.

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 2020. 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.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Donations	22	22	44	78
Capital grants	-	289	289	197
Other capital income	-	-	-	160
	<u>22</u>	<u>311</u>	<u>333</u>	<u>435</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	13,199	13,199	12,872
Other DfE group grants	-	1,394	1,394	726
	<u>-</u>	<u>14,593</u>	<u>14,593</u>	<u>13,598</u>
Other government grants				
Local authority grants	-	348	348	386
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	91	91	-
	<u>-</u>	<u>439</u>	<u>439</u>	<u>386</u>
Other funding				
Catering income	440	-	440	605
Other incoming resources	84	297	381	488
	<u>524</u>	<u>297</u>	<u>821</u>	<u>1,093</u>
Total funding	<u>524</u>	<u>15,329</u>	<u>15,853</u>	<u>15,077</u>

During the year and in response to the Covid-19 lockdown, the trust furloughed catering and pitch staff whose costs were not otherwise met by Government grants. The income is reported above as exceptional government funding and was received under the Coronavirus Job Retention Scheme.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	141	-	141	171
Sales and commission	40	-	40	15
	<u>181</u>	<u>-</u>	<u>181</u>	<u>186</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Short term deposits	11	-	11	9
	<u>11</u>	<u>-</u>	<u>11</u>	<u>9</u>

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Expenditure on raising funds					
- Direct costs	33	-	1	34	30
Academy's educational operations					
- Direct costs	11,576	722	1,020	13,318	12,635
- Allocated support costs	2,385	934	958	4,277	4,405
	<u>13,994</u>	<u>1,656</u>	<u>1,979</u>	<u>17,629</u>	<u>17,070</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	10	9
- Other services	10	9
Operating lease rentals	77	25
Depreciation of tangible fixed assets	903	891
Net interest on defined benefit pension liability	162	184
	<u>1,162</u>	<u>1,118</u>

Included within expenditure are the following transactions:

	2020 £
Gifts made by the Academy Trust - total	<u>641</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

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 £641 (and not £641k).

8 Central services

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

- human resources and payroll services;
- financial services;
- legal services;
- educational support services:

The Academy Trust charges for these services on the basis of a flat percentage of income (3.5% of GAG funding).

The amounts charged during the year were as follows:

	2020 £'000	2019 £'000
The Billericay School	290	275
The Bromfords School and Sixth Form College	200	175
Central Services	-	-
	<u>490</u>	<u>450</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	467	12,851	13,318	12,635
Support costs				
Educational operations	235	4,042	4,277	4,405
	<u>702</u>	<u>16,893</u>	<u>17,595</u>	<u>17,040</u>

Analysis of costs

	2020 £'000	2019 £'000
Direct costs		
Teaching and educational support staff costs	11,576	10,754
Staff development	50	91
Depreciation	722	713
Educational supplies and services	299	355
Examination fees	257	257
Educational consultancy	118	85
Other direct costs	296	380
	<u>13,318</u>	<u>12,635</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

Support costs

Support staff costs	1,879	1,873
Defined benefit pension scheme - staff costs (FRS102 adjustment)	506	524
Depreciation	181	178
Technology costs	280	214
Maintenance of premises and equipment	243	268
Cleaning	66	51
Energy costs	252	239
Rent, rates and other occupancy costs	120	135
Insurance	54	63
Security and transport	18	7
Catering	292	382
Defined benefit pension scheme - finance costs (FRS102 adjustment)	162	184
Legal costs	1	-
Other support costs	203	269
Governance costs	20	18
	<u>4,277</u>	<u>4,405</u>

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	9,908	9,689
Social security costs	975	952
Pension costs	2,244	1,662
Defined benefit pension scheme - staff costs (FRS102 adjustment)	506	524
	<u>13,633</u>	<u>12,827</u>
Staff costs - employees	13,633	12,827
Agency staff costs	336	299
Staff restructuring costs	25	48
	<u>13,994</u>	<u>13,174</u>

Staff restructuring costs comprise:

Redundancy payments	19	38
Severance payments	6	10
	<u>25</u>	<u>48</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6k (2019: £10k). Individually, the payments were: £1k and £5k.

Staff numbers

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

	2020 Number	2019 Number
Teachers	163	155
Administration and support	231	250
Management	18	22
Consortium staff	8	9
	<u>420</u>	<u>436</u>

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

	2020 Number	2019 Number
Teachers	140	136
Administration and support	116	124
Management	18	22
Consortium staff	6	5
	<u>280</u>	<u>287</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	4	6
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,508,536 (2019: £1,319,929).

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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):

- Remuneration : £130,000 - £135,000 (2019: £125,000 - £130,000)
- Employer's pension contributions : £30,000 - £35,000 (2019: £20,000 - £25,000)

During the year, expenses totalling £1,519 (2019: £1,978) were reimbursed or paid directly to 1 Trustee (2019: 1 Trustee). 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 Insurance for Trustees and officers

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 unlimited cover. 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 2019	31,094	160	1,058	27	32,339
Additions	314	9	29	-	352
At 31 August 2020	31,408	169	1,087	27	32,691
Depreciation					
At 1 September 2019	4,007	124	447	9	4,587
Charge for the year	741	38	121	3	903
At 31 August 2020	4,748	162	568	12	5,490
Net book value					
At 31 August 2020	26,660	7	519	15	27,201
At 31 August 2019	27,087	36	611	18	27,752

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 2020

14 Stocks

	2020	2019
	£'000	£'000
Catering and uniform stock	14	7

15 Debtors

	2020	2019
	£'000	£'000
Trade debtors	14	6
VAT recoverable	70	92
Other debtors	426	340
Prepayments and accrued income	128	188
	<u>638</u>	<u>626</u>

16 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Salix loans	10	10
Trade creditors	134	358
Other taxation and social security	241	239
Other creditors	260	214
Accruals and deferred income	705	601
	<u>1,350</u>	<u>1,422</u>

17 Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Salix loans	1	11

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Analysis of loans		
Wholly repayable within five years	11	21
Less: included in current liabilities	(10)	(10)
	<u>1</u>	<u>11</u>
Amounts included above		
Loan maturity		
Debt due in one year or less	10	10
Due in more than one year but not more than two years	1	10
Due in more than two years but not more than five years	-	1
	<u>11</u>	<u>21</u>

18 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	<u>561</u>	<u>515</u>
Deferred income at 1 September 2019	515	602
Released from previous years	(515)	(602)
Resources deferred in the year	<u>561</u>	<u>515</u>
Deferred income at 31 August 2020	<u>561</u>	<u>515</u>

Deferred income at 31 August 2020 of £561k (2019: £515k) is represented by income deferred under agency arrangements of £363k (2019: £287k), donation and charity income of £23k (2019: £12k), catering income of £21k (2019: £17k), trips income of £90k (2019: £119k), grant / bursary income of £18k (2019: £24k), rates grant £46k (2019: £44k) and other activities of £nil (2019: £12k). Further information in respect of the income deferred under agency arrangements is given in note 29.

19 Financial instruments

	2020 £'000	2019 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>2,241</u>	<u>2,280</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>(549)</u>	<u>(679)</u>

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	13,199	(13,250)	51	-
Other DfE / ESFA grants	-	974	(974)	-	-
Pupil Premium	-	420	(374)	-	46
Other government grants	-	439	(439)	-	-
Other restricted funds	-	319	(319)	-	-
Pension reserve	(9,004)	-	(668)	(441)	(10,113)
	<u>(9,004)</u>	<u>15,351</u>	<u>(16,024)</u>	<u>(390)</u>	<u>(10,067)</u>
Restricted fixed asset funds					
Transfer on conversion	22,237	-	(675)	-	21,562
DfE group capital grants	5,064	289	(153)	(51)	5,149
Capital expenditure from GAG and other funds	325	-	(69)	305	561
Private sector capital sponsorship	157	-	(6)	-	151
	<u>27,783</u>	<u>289</u>	<u>(903)</u>	<u>254</u>	<u>27,423</u>
Total restricted funds	<u>18,779</u>	<u>15,640</u>	<u>(16,927)</u>	<u>(136)</u>	<u>17,356</u>
Unrestricted funds					
General funds	<u>1,103</u>	<u>738</u>	<u>(702)</u>	<u>(305)</u>	<u>834</u>
Total funds	<u>19,882</u>	<u>16,378</u>	<u>(17,629)</u>	<u>(441)</u>	<u>18,190</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 2020.

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 2020

20 Funds

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	12,872	(12,868)	(4)	-
Other DfE / ESFA grants	-	302	(302)	-	-
Pupil Premium	12	424	(436)	-	-
Other government grants	-	386	(386)	-	-
Other restricted funds	35	1,121	(1,156)	-	-
Pension reserve	(7,219)	-	(708)	(1,077)	(9,004)
	<u>(7,172)</u>	<u>15,105</u>	<u>(15,856)</u>	<u>(1,081)</u>	<u>(9,004)</u>
Restricted fixed asset funds					
Transfer on conversion	22,912	-	(675)	-	22,237
DfE group capital grants	5,093	197	(230)	4	5,064
Capital expenditure from GAG and other funds	376	-	(61)	10	325
Private sector capital sponsorship	-	160	(3)	-	157
	<u>28,381</u>	<u>357</u>	<u>(969)</u>	<u>14</u>	<u>27,783</u>
Total restricted funds	<u>21,209</u>	<u>15,462</u>	<u>(16,825)</u>	<u>(1,067)</u>	<u>18,779</u>
Unrestricted funds					
General funds	<u>1,113</u>	<u>245</u>	<u>(245)</u>	<u>(10)</u>	<u>1,103</u>
Total funds	<u>22,322</u>	<u>15,707</u>	<u>(17,070)</u>	<u>(1,077)</u>	<u>19,882</u>

COMPASS EDUCATION TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds

Total funds analysis by academy

	2020	2019
	£'000	£'000
Fund balances at 31 August 2020 were allocated as follows:		
The Billericay School	504	793
The Bromfords School and Sixth Form College	290	269
Central services	86	41
Total before fixed assets fund and pension reserve	880	1,103
Restricted fixed asset fund	27,423	27,783
Pension reserve	(10,113)	(9,004)
Total funds	18,190	19,882

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 2020 £'000	Total 2019 £'000
The Billericay School	6,807	1,179	149	1,442	9,577	9,294
The Bromfords School and Sixth Form College	4,645	963	150	933	6,691	6,451
Central services	126	274	58	-	458	434
	11,578	2,416	357	2,375	16,726	16,179

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 2020 are represented by:				
Tangible fixed assets	-	-	27,201	27,201
Current assets	2,185	46	222	2,453
Creditors falling due within one year	(1,350)	-	-	(1,350)
Creditors falling due after one year	(1)	-	-	(1)
Defined benefit pension liability	-	(10,113)	-	(10,113)
Total net assets	834	(10,067)	27,423	18,190

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 are represented by:				
Tangible fixed assets	-	-	27,752	27,752
Current assets	1,103	1,412	52	2,567
Creditors falling due within one year	-	(1,412)	(10)	(1,422)
Creditors falling due after one year	-	-	(11)	(11)
Defined benefit pension liability	-	(9,004)	-	(9,004)
Total net assets	1,103	(9,004)	27,783	19,882

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 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £260k (2019: £209k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,628k (2019: £1,093k).

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 24.80% to 25.00% for employers and 2.75% to 8.50% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust 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	2020 £'000	2019 £'000
Employer's contributions	616	569
Employees' contributions	154	149
Total contributions	770	718
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.30	3.70 to 3.75
Rate of increase for pensions in payment/inflation	2.30	2.20 to 2.25
Discount rate for scheme liabilities	1.60	1.85
RPI Increase	2.30	3.20 to 3.25
CPI Increase	3.10	2.20 to 2.25

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.3
- Females	23.8	23.6
Retiring in 20 years		
- Males	23.2	23.0
- Females	25.2	25.4

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

	2020 £'000	2019 £'000
Discount rate + 0.1%	18,360	15,846
Discount rate - 0.1%	19,161	16,538
Mortality assumption + 1 year	19,470	16,839
Mortality assumption - 1 year	18,069	15,563
Increase in pension rate + 0.1%	19,113	16,493
Decrease in pension rate - 0.1%	18,407	15,889
Increase in salary rate + 0.1%	18,801	16,230
Decrease in salary rate - 0.1%	18,711	16,147

Defined benefit pension scheme net liability

Scheme assets	8,643	7,184
Scheme obligations	(18,756)	(16,188)
Net liability	(10,113)	(9,004)

The Academy Trust's share of the assets in the scheme

	2020 Fair value £'000	2019 Fair value £'000
Equities	5,356	4,529
Gilts	369	395
Other Bonds	483	404
Cash	235	210
Property	672	575
Other assets	1,528	1,071
Total market value of assets	8,643	7,184

The actual return on scheme assets was £196,000 (2019: £539,000).

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	1,117	944
Past service cost	-	149
Interest income	(137)	(171)
Interest cost	299	355
Administration expenses	5	-
Total operating charge	1,284	1,277

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	16,188
Current service cost	1,117
Interest cost	299
Employee contributions	154
Actuarial loss	1,240
Benefits paid	(242)
At 31 August 2020	18,756

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000
At 1 September 2019	7,184
Interest income	137
Actuarial gain	799
Employer contributions	616
Employee contributions	154
Benefits paid	(242)
Administration expenses	(5)
At 31 August 2020	8,643

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £'000	2019 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,251)	(1,363)
Adjusted for:		
Capital grants from DfE and other capital income	(289)	(357)
Investment income receivable	(11)	(9)
Defined benefit pension costs less contributions payable	506	524
Defined benefit pension scheme finance cost	162	184
Depreciation of tangible fixed assets	903	891
(Increase)/decrease in stocks	(7)	1
(Increase)/decrease in debtors	(12)	1
(Decrease) in creditors	(72)	(317)
Net cash used in operating activities	(71)	(445)

24 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	1,934	(133)	1,801
Loans falling due within one year	(10)	-	(10)
Loans falling due after more than one year	(11)	10	(1)
	1,913	(123)	1,790

25 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	66	20
Amounts due in two and five years	57	9
	123	29

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

26 Capital commitments

	2020 £'000	2019 £'000
Expenditure contracted for but not provided in the Financial Statements	275	-

At 31 August 2020 the Trust was committed to a roof repair project at The Bromfords School and Sixth Form College with total expected costs of £275k. No costs were incurred as at 31 August 2020 therefore the full cost of the project was a commitment at 31 August 2020. The project will be largely funded by DfE capital funding.

27 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. 03357691, 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 £51k (2019: £70k) 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 £42k (2019: £70k), 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 £3k (2019: £8k) from Billericay Community Trust and incurred expenditure of £nil (2019: £nil). No balances were outstanding at 31 August 2020.

Veolia Pitsea Marshes Maintenance Trust (Registered Charity No. 1095470) is a related party by virtue of its director also being a director of the Academy Trust.

During the year, income of £nil (2019: £160k) was receiveable from Veolia Pitsea Marshes Maintenance Trust in respect of capital funding. A balance of £41k (2019: £160k) was due as at 31 August 2020 and has been included within debtors.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

28 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 2020

29 Agency arrangements

The academy trust distributes various funds as an agent. In the accounting period ending 31 August 2020 the academy undertook the following transactions in the capacity as agent:

16-19 Bursary Funding

- Funds received - £57,430 (2019: £46,224)
- Disbursements - £(39,005) (2019: £(21,719))
- Unspent balance - £18,425 (2019: £24,504)

Salaried Direct Funding

- Funds received - £nil (2019: £nil)
- Disbursements - £(nil) (2019: £nil)
- Unspent balance - £nil (2019: £nil)

SCITT Bursary Funding

- Funds received - £762,250 (2019: £602,400)
- Disbursements - £(759,000) (2019: £(594,400))
- Unspent balance - £3,250 (2019: £8,000)

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

- Funds received - £639,465 (2019: £570,940)
- Disbursements - £(434,105) (2019: £(407,874))
- Unspent balance - £205,360 (2019: £163,067)

Teaching School Alliance

- Funds received - £340,384 (2019: £301,082)
- Disbursements - £(199,142) (2019: £(199,991))
- Unspent balance - £141,243 (2019: £101,090)

14-19 Funding

- Funds received - £nil (2019: £2,724)
- Disbursements - £(nil) (2019: £(2,724))
- Unspent balance - £nil (2019: nil)

Behaviour and Attendance Partnership (BAP)

- Funds received - £54,779 (2019: £35,503)
- Disbursements - £(54,556) (2019: £(31,101))
- Unspent balance - £223 (2019: £4,402)

Billericay Music Association

- Funds received - £nil (2019: £11,423)
- Disbursements - £(nil) (2019: £(11,423))
- Unspent balance - £nil (2019: £nil)

Consortium for School Improvement (CSI)

- Funds received - £13,716 (2019: £16,912)
- Disbursements - £(847) (2019: £(6,696))
- Unspent balance - £12,869 (2019: £10,216)

Basildon Sports Association

- Funds received - £nil (2019: £253)
- Disbursements - £(nil) (2019: £(253))
- Unspent balance - £nil (2019: £nil)

COMPASS EDUCATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

30 Contingent liabilities

The Bromfords School and Sixth Form College was awarded capital project funding of £160k which was recognised in the 2018/19 financial statements.

There is the possibility that some or all of that funding may have to be returned, in the event that conditions of grant are not met and hence there is a contingent liability of up to £160k at 31 August 2020. The trustees are satisfied that no provision is required, on the basis that no liability is expected to materialise.