

Company Registration No. 10360957 (England and Wales)

THE COMPASS PARTNERSHIP OF SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE COMPASS PARTNERSHIP OF SCHOOLS

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THE COMPASS PARTNERSHIP OF SCHOOLS

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

H Lewis
O Ralston
C Rea
S Skidmore
M Whitehead (Chair)
N Fitzgerald
A Wasik-Hyde
R Bansil
P Brightly-Jones (Resigned 5 November 2021)
S Shah (Resigned 10 April 2022)
S Hayward (Appointed 1 January 2022)

Members

J Mackenzie - Blackman
A Brooks- Johnson
D Mbatha
F Aubrey- Smith

Executive leadership team

J Camp	- CEO
S Powell	- Executive Headteacher
J Gordon	- Executive Headteacher
M Bernard	- Executive Headteacher
R Harrison	- Executive Headteacher
K Jarrett- Shorter	- COO

Company registration number

10360957 (England and Wales)

Registered office

c/o Willow Dene School
Swingate Lane
Plumstead
London
SE18 2JD
United Kingdom

Academies operated

Alderwood Primary School
Deansfield Primary School
Halstow Primary School
Horn Park Primary School
South Rise Primary School
Willow Dene School
Wingfield Primary School
Cann Hall
John Ray Junior
Notley Green
Shalford Primary School

Location

Greenwich
Greenwich
Greenwich
Greenwich
Greenwich
Greenwich
Greenwich
Clacton
Braintree
Braintree
Braintree

Head

K Cutajar
C Daly
T Gray and N Tilley
Z Crosland
H Brown
R Harrison
R Silcock
S Crookes
K Harrison
E Saward
J Penny

THE COMPASS PARTNERSHIP OF SCHOOLS

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ
United Kingdom

Bankers

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU
United Kingdom

Solicitors

Legal Services Royal Borough of Greenwich
The Woolwich Centre - 4th Floor
35 Wellington Street
Woolwich
London
SE18 6HQ
United Kingdom

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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

The Trust operates ten primary schools for children aged 4 -11 and one special school for children aged 2 - 16. The schools are situated in the area of Greenwich, Braintree & Clacton. Please see below for pupil capacity and roll, which has been taken from the school census at 6th October 2022:

Alderwood (1FE):

Capacity of School: 210

Number on Roll: 199

Cann Hall (2FE)

Capacity of School: 420

Number on Roll: 417

Deansfield (2FE):

Capacity of School: 420

Number on Roll: 414

Number on roll of onsite Nursery: 35

Halstow (2FE):

Capacity of School: 420

Number on Roll: 406

Horn Park (2FE):

Capacity of School: 420

Number on Roll: 330

Number on roll of onsite Nursery: 22

John Ray Junior School (4FE):

Capacity of School: 480

Number on Roll: 417

Notley Green:(2FE):

Capacity of School: 420

Number on Roll:403

Shalford(0.5FE)

Capacity of School: 105

Number on Roll: 65

South Rise (3FE):

Capacity of School: 630

Number on Roll: 559

Number on roll of onsite Nursery: 38

Wingfield (2FE)

Capacity of school: 540 (increasing by 30 pupils per year to a maximum of 630)

Number on roll: 524

Number on roll of onsite nursery: 38

Willow Dene:

Capacity of School: 264

Number on Roll: 264

Number on roll of onsite Nursery: 8

Structure, governance and management

Constitution

The Multi Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Multi Academy Trust.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Directors are the trustees of The Compass Partnership of Schools and are also the directors of the charitable company for the purposes of company law. Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

The Compass Partnership of Schools was incorporated on 6th September 2016. It is now made up of eleven schools. All schools have kept their original names. 6 of the Greenwich schools obtained academy status on 1/07/17. Wingfield Primary converted on April 1st 2021. Cann Hall, John Ray Jnr, Shalford & Notley Green joined the Trust on 01/01/22.

Members' liability

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

Method of recruitment and appointment or election of Directors

The members of the multi-academy trust shall comprise the signatories to the Memorandum and any person appointed under Article 16.

The number of Directors shall be not less than 3, but shall not be subject to a maximum. Members will be appointed by the Directors except for the CEO who will have de facto membership.

Each Trust school shall have its own local school committee. The LSC composition can vary between schools, but the intention is to have each LSC comprising of no more than 12 members. For an LSC with 12 members, the composition is as follows:

- up to 2 elected parent governors
- 1 staff governor
- Head Teacher / Head of school
- 6 co-opted governor
- up to 2 board appointed governors (appointed for the skills they can bring contribute to the effective governance and success of the academy)

The first Directors of The Compass Partnership of Schools shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Director shall be 4 years.

Policies and procedures adopted for the induction and training of Directors

During the period under review the Trust Board of Directors held 7 full Directors meetings. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. There is an induction programme for new trustees which includes a one on one meeting with the Chair of the Board and a meeting with the Executive Team. Most Trustees also sit on at least one of the Committees.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

The structure consists of four management levels: The Compass Partnership of Schools Directors Board, The Executive Leadership Team, the Trust Business team, the Local School Committee and the individual School Leadership Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. This structure sits within an overall framework of principles that ensures core functions are standardised whilst a degree of school autonomy and individual character is maintained so that local solutions to local issues can be quickly developed and have immediate impact. The current management structure is the outcome of an evolutionary process that took place over the 6 years the partnership developed as a maintained group of schools.

The Compass Partnership of Schools' Directors Board are responsible for setting general policy, adopting an annual plan, budget monitoring by the use of budget reports, and for making major decisions about the direction of The Compass Partnership of Schools', capital expenditure, and senior staff appointments.

The individual school's Leadership Team consists of the Headteacher/Head of School, Deputy Heads, Assistant Heads of School. These leaders control the school at school level, implementing the policies laid down by themselves, the local school committee, the Executive Team or The Compass Partnership of Schools Directors' Board. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets, and the appointment of non-senior staff. Appointments of senior leader posts requires Director's authorisation.

Arrangements for setting pay and remuneration of key management personnel

The setting of the pay and remuneration for the Chief Executive Officer is devolved from the Compass Directors Board to a panel responsible for CEO performance management. The pay of the CEO is set within the limits outlined in the National Teachers Pay and Conditions document. This process is externally facilitated and validated to ensure it is robust and challenging. The pay of the CEO is also benchmarked against equivalent roles and Trusts across the sector, with pay set within the median of the range.

The pay and remuneration of the Executive Team below CEO level is set by the Trustees and is aligned with the National Teachers Pay and Conditions Document. This process is externally facilitated and validated to ensure it is robust and challenging. The pay of the executive team is also benchmarked against equivalent roles and Trusts across the sector, with pay set within the median of the range.

Head Teacher pay within all Trust schools is set using the formula within the School Teachers Pay and Conditions Document, applicable at the time of appointment. A panel consisting of members of the Executive Team and the Local School Committee will set the exact pay within the pay range identified within the pay and conditions document. Recommendations are then made to the CEO and the Trustee Pay and Personnel Committee who ratify all senior leader pay decisions.

No leader in The Compass Partnership of Schools' is paid more than 25% above the leadership scale, in line with national recommendations – including the CEO. Current pay levels have been inherited on conversion from maintained school status and there has been no pay progression for senior staff since the group became a multi academy trust.

Engagement with employees

The Compass Partnership of Schools Trust is committed to ensuring equality in employment. We ensure that our recruitment process is inclusive and accessible by:

Making job adverts accessible

Providing job details in accessible formats when requested e.g.; large print

Accepting applications in alternate formats e.g. paper form

Promoting our vacancies through a range of channels

Providing reasonable adjustments as required

Ensuring against discrimination

We support existing employees who acquire a disability or long-term health condition, enabling them to stay in work wherever possible.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Engagement with suppliers, customers and others in a business relationship with the Multi Academy Trust

The Trust fosters a desire to work in partnership with its suppliers, businesses, parents and the wider community

Related parties and other connected charities and organisations

The Trust is not part of a soft federation

The Trust works closely with professional partners such as the Confederation of School Trusts.

The CEO is vice president of ASCL; this interest has been declared and the CEO would abstain from any discussions that could potentially present a conflict.

The Trust works in close partnership with the Royal Borough of Greenwich and is co-lead of the Teaching School Alliance

Objectives and activities

Objects and aims

Principal activities

The Compass Partnership of Schools developed from the original group of 7 maintained schools under the executive leadership of the CEO. We are a forward thinking, innovative and creative school group, committed to achieving excellence within meaningful and empowering contexts for learning. Fundamental to our ethos is an understanding that the way we organise our schools for learning is key to educating children for the world we would wish to see them develop and thrive in. During the academic year 2021 – 2022, The Compass Partnership of Schools acquired the four schools of the CHANGE Schools Partnership in Essex, becoming a Trust of 11 schools in January 2022.

As a multi-academy trust, The Compass Partnership of Schools aims to retain its identity as a group, as well as to protect the unique characters of each of our schools with an agreed framework of principles and values. We firmly believe that collaboration should not equate to 'sameness'. We are clear that we need to be unwavering about the right things and have a strong compliance framework that ensures curriculum is strong, teaching is excellent, and expectations are high. Our operational model is understood by all and ensures we are focused on developing high quality systems, policies and procedures that enable us to deliver the absolute best outcomes for all.

As the Trust continues to evolve and expand, we aim to ensure that our Constitution and Articles frame our collective aspirations for the future of our schools, while centring them at the heart of their communities. We aim to be a group of schools that develops local hubs in a range of locations – ensuring our schools are an integral part of education provision in a number of regions.

The Compass Partnership of Schools stands for partnership, excellence and opportunity. We aim to shape the world by empowering children to make it a more just, equitable and sustainable place for future generations to prosper in. Our values of optimism, ambition and resilience underpin everything that we do.

The Compass Partnership of Schools is passionate about securing the highest standards of provision and achievement for all children. We are committed to achieving this by creating a fully inclusive environment that actively promotes social justice and equality, thereby empowering communities who have been disadvantaged. We provide this through a high-quality knowledge-rich curriculum and the creation of cognitively challenging contexts for learning that develop children's desire to learn. We believe that by encouraging children to become agents of their own learning, they are empowered to become autonomous and independent, and to respond to a range of challenges. This in turn enables them to grow into responsible citizens who are able to contribute to today's society in a way that maximises their strengths and individual characters.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives, strategies and activities

As a group of schools, we develop ambitious, challenging and knowledge-rich curricula that enable all children to flourish socially, spiritually, culturally, emotionally and academically. Whilst high academic attainment is important for all children's life chances, we also believe in the importance of providing a rich experience of the arts and physical development.

The Compass Partnership of Schools is committed to the very highest professional standards. We value individuality and promote the unique ethos of each school, firmly at the heart of its community. Through collaboration, we seek to build on the strengths that exist within each school so that our collective intellectual capital benefits our broader Compass community.

The Trust Commitments

- Commitment to achieving the highest standards of inclusive provision and outcomes for all children.
- Commitment to the aims, values and ethos of the Trust.
- Commitment to the Articles, Scheme of Delegation and financial contribution (through the top-slice agreement) of the Trust.
- Commitment to the Compass Principles, curriculum, pedagogical and assessment frameworks
- Commitment to all jointly agreed operating policies and procedures.
- Commitment to all Trust branding agreements to ensure consistency across the Trust, whilst protecting individuality and school identity.
- Commitment to locally-focused admissions criteria and nationally agreed procedures for children who are hard to place – Fair Access Protocols.
- Commitment to working in partnership with parents, carers and the local community, to ensure schools are responsive to their aspirations for their children.
- Commitment to promoting the strengths of the Trust and the benefits of collaborative development, working across the group for the good of the whole.
- Commitment to sharing staff expertise, responding to the needs of the Trust, and jointly finding solutions.
- Commitment to working with schools beyond our immediate partnership.
- Commitment to teacher and support staff pay and conditions, and to professional learning for all.
- Commitment to respecting the environment and to developing green, sustainable ways of working.

Externally validated school reviews evaluate the extent to which principles are embedded and impacting positively on provision and outcomes for all pupils.

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Trust adopts the admission policies of the Local Authority in which it works.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

Pupils enter the schools from a wide range of social, cultural and economic backgrounds. The schools pride themselves on being inclusive.

See below for the percentage of pupils eligible for free school meals, from ethnic minority backgrounds and on the Special Educational Needs register for each school:

Alderwood

50.74% of pupils eligible for Free Schools Meals
24.12% of pupils from ethnic minority backgrounds
20.1% of children on SEN register

Cann Hall

17.4% of pupils eligible for Free Schools Meals
3.6% of pupils from ethnic minority backgrounds
19.8% of children on SEN register

Deansfield

9% of pupils eligible for FSM
38% of pupils from ethnic minority backgrounds
12% of children on SEN register

Halstow

10% of pupils eligible for Free Schools Meals
55% of pupils from ethnic minority backgrounds
11.9% of children on SEN register

Horn Park

46.8% of pupils eligible for Free Schools Meals
56.5% of pupils from ethnic minority backgrounds
24.6% of children on SEN register

John Ray Junior

25.5% of pupils eligible for Free Schools Meals
16.5% of pupils from ethnic minority backgrounds
24.1% of children on SEN register

Notley Green

12.5% of pupils eligible for Free Schools Meals
12.6% of pupils from ethnic minority backgrounds
16.6% of children on SEN register

Shalford

27.69% of pupils eligible for Free Schools Meals
15.38% of pupils from ethnic minority backgrounds
10.77% of children on SEN register

South Rise

41% of pupils eligible for Free Schools Meals
81% of pupils from ethnic minority backgrounds
23.5% of children on SEN register

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Wingfield

16.35% of pupils eligible for Free Schools Meals

75.89 of pupils from ethnic minority backgrounds

13.12 of children on SEN register

Willow Dene

48.2% of pupils eligible for Free Schools Meals

81.6% of pupils from ethnic minority backgrounds

100% of children on SEN register

To ensure that standards are continually raised the schools operate a programme of internal and external reviews of curriculum areas and have an external quality assurance review provided by our Local Authority Improvement Partner in collaboration with the Eko Partnership of Schools.

The individual academies within the Compass Partnership of Schools are judged by Ofsted as follows:

- Alderwood as 'Good'
- Cann Hall as 'Good'
- Deansfield as 'Outstanding'
- Halstow as 'Good'
- John Ray Juniors as 'Good'
- Notley Green as 'Good'
- Shalford as 'Good'
- South Rise as 'Good'
- Wingfield as 'Good with evidence of outstanding; reinspection within 2 years to confirm this'
- Willow Dene as 'Good with evidence of outstanding; reinspection within 2 years to confirm this'
- Horn Park as 'Good'

Key performance indicators

The main KPI is the Ofsted Framework for Inspection. Inspectors must judge the quality of education provided in the school. This is the overarching judgement.

In order to make a judgement about the quality of education provided in the school, inspectors must first make four key judgements. These are:

- the achievement of pupils at the school
- the quality of teaching in the school
- the behaviour and safety of pupils at the school
- the quality of leadership in and management of the school

In addition, inspectors must also consider:

- the spiritual, moral, social and cultural development of pupils at the school
- the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:
- pupils who have a disability for the purposes of the Equality Act 2010
- pupils who have special educational needs.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The financial year has been very challenging due to capacity issues, a change in accounting system in Greenwich in September 2021 and the joining of 4 schools on a different accounting system from January 2022. The Board has monitored income and expenditure on a school-by-school basis regularly. Discussion has focused on the predicted outturn forecast at the end of the year and general variance analysis.

The Board have used census data as one of their KPI's to assess possible issues with pupil numbers.

From September 2022 all schools will be accounted for on the same accounting system and KPI's such as teachers ratio as a % to core income (GAG), Staffing Costs as a ratio % of total income will be used on both an individual and consolidated basis.

Financial KPIs:

- Budgets are managed effectively for sustainability with 3-year forecasting underpinning effective long-term planning, Develop strong financial planning models to help support the implementation of the Trust's strategy, Maintain a positive cashflow position
- Use of SCA across the school estates ensures that the most high-level health and safety priorities are addressed according to funding available
- Budgets are managed effectively for sustainability with 3-year forecasting underpinning effective long-term planning
- Develop strong financial planning models to help support the implementation of the Trust's strategy
- Maintain a positive cashflow position
- Support all schools in ensuring their staff spend as a percentage of their budget is no more than 78%
- Support all schools in setting and maintaining in-year balanced budgets

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Protecting the success of the Multi Academy Trust

The Trust ensures that any long term decision is financially sustainable and undertakes a thorough review of risk as part of its decision-making processes.

The Trust undertakes an annual staff survey and analyse and act on responses. Established workload and wellbeing group. Employee Assistance Service available for free to support staff with health, legal and financial matters. Consult with staff and actively seek feedback prior to implementation of new policies/ways of working.

The Trust fosters a desire to work in partnership with its suppliers, businesses, parents and the wider community.

The Trust has remained available to its communities throughout this period and will continue to support parents, families and the wider community. The Trust will be applying to the Government's energy scheme as part of its wider environmental priorities. Photocopiers and printers have been centrally procured and technology enables the trust to monitor volumes of printing, the SharePoint system enables staff to collaborate electronically and further reduces the need to print.

We continue to strive to maintain a good reputation for high standards and to conduct ourselves in line with the Nolan Principles of public life.

The Trust have a Code of Conduct in place which is observed by all members.

The Trust has continued to develop the school estates through successful CIF bids and SCA.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The principal source of Academy's income is obtained from the Education, Skills Funding Agency (ESFA) in the form of General Annual Grant (GAG), the use of which is restricted to the Trusts educational objectives, some of which are restricted to particular purposes. For the year ended 31st August 2022 the Trust received £44,036k (2021: £38,238k) of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trusts primary objective of the provision of education

During the period ended 31 August 2022, total expenditure of £37,166k (2021: £28,220k) on general running costs and transferred £nil (2021: £1,197k) from capital grants and £418k (2021:£442k) from unrestricted reserves to support the maintenance and running costs. The excess of expenditure over income for the period (excluding pension deficit on conversion, restricted fixed asset funds and transfers to restricted fixed asset funds) was £2,909k (2021: £2,814k).

The Statement of Financial Activities shows a surplus of £32,274k (2021: £6.756k). This includes a significant actuarial surplus on the defined pension of £25,404k (2021: £3,262 loss) and donated assets of £10,322k from the transfer in of Change Partnership Trust (2021: £13,167k from the transfer of Wingfield Primary School), as set out in note 28. The significant change in the pension is due to changes in valuation as set out in note 21.

The Trusts unrestricted reserves brought forward were £2,999k and the carry forward was £4,075k. The surplus for year on the income fund is therefore £1,076k (2021: £663k)

The Academy also receives grants for capital projects from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2022 the net book value of fixed assets was £96,854k (2021: £83,328k). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the trust is recognising a significant pension scheme deficit of £4,675k (2021: £20,709k) as at 31 August 2022. This does not mean that an immediate liability for this amount crystallises and such a deficit is generally results in a cashflow effect in the form of increased employer contributions over a number of years

The Trust has coped well with both covid costs and the costs of expansion early in the financial year. All schools have had an opportunity to bid for additional funding from reserves to support their learning environment and general school maintenance. Some of this work will be completed in the next academic year. The Trust expect its current financial position to continue to flourish and its strong cash flow position to support it in its expansion.

Reserves policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £2,500k (2021: £1,900k). Following the year end the Board review reserves for the ability to use them to improve the environment and outcomes in schools. The Board agreed an additional spend of approx. £735k across the Trusts mainstream schools and had already agreed additional work in the Willow Dene, all of which will be from reserves. Some of this work has been completed in the year and other projects will be completed across the 22/23 academic year. Projects include library renovations, playground tarmac renovations, IT upgrades and cyclical internal refurbishments of classrooms as well as a swim spa at Willow Dene.

The reason for setting an appropriate level of reserves is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of unrestricted reserves of £4,075k (2021: £2,999k) (total funds less the amount held in fixed assets and restricted funds).

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Academy held fund balances at 31 August 2022 of £97.892k (2021: £65,618k) comprising £93,817k (2021: £62,619k) of restricted funds and £4.075k (2021: £2,999k) of unrestricted general funds. Of the restricted funds, £96,854k (2021: £83,328k) is represented by tangible fixed assets and £1,633k of unspent capital funding (2021: £nil) and unspent revenue grants of £5k (2021: £nil). The Pension reserve which is considered part of restricted funds was £4,675k (2021: £20,709k) in deficit.

Investment policy

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

Principal risks and uncertainties

The principal risks to The Compass Partnership of Schools are:

1. Failure to achieve the highest quality standards for children. In order to mitigate this risk Directors ensure high quality recruitment and performance management of all senior staff. All systems and processes are focussed on school improvement, there is a rigorous monitoring and accountability system focussing on children's outcomes.
2. The rising costs of staff pensions and other staff costs.
3. Pupil numbers in some schools remain a risk
4. Rising energy costs

The Compass Partnership of Schools has a risk register that lists the key risks and discusses mitigating factors. This is reviewed on a termly basis both in terms of ensuring that the mitigating factors are still relevant and whether any of the action plans need reviewing.

Risk management

The Directors have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the trust and its finances. The Directors have implemented a number of systems to assess risks that each school faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors to maintain strict safeguarding protocols and manage risk. Any prospective school joining the trust has a full due diligence review to minimise any future risk to the organisation. Where there is significant financial risk the trust has ensured there is adequate insurance cover. The Compass Partnership of Schools has an effective system of internal control as described in the Trust Financial Procedures.

Financial and risk management objectives and policies

The financial risks to which the multi-academy trust is exposed to relate primarily to:

1. Change in government and legislation
2. Potential of reduced funding and cash flow
3. Reduction in student numbers

A risk also arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £4,675k (2021: £20,709k).

Fundraising

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

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	3,209,666	
- Burning Oil	25,807	
- Onsite generation	71,779	
- Fuel consumed for transport	16,979	
- Electricity purchased	1,046,040	
		4,370,271
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	649.00	
- Burning Oil	7.00	
- Fuel consumed for owned transport	2.00	
		658.00
Scope 2 - indirect emissions		
- Electricity purchased		202.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Multi Academy Trust		2.00
Total gross emissions		862.00
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		31.00

Quantification and reporting methodology

We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The DEFRA issued "Greenhouse gas reporting: conversion factors 2022" conversion figures for CO2e were used along with the fuel property figures to determine the kWh content for Fleet.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in Kgs CO2 equivalent per M2. The chosen intensity measurement ratio is Area of occupied space M2.

Measures taken to improve energy efficiency

The Compass Partnership of Schools continue to strive for energy and carbon reduction arising from their activities. During this reporting period The Compass Partnership of Schools have:

- Replaced outdated boilers/heating system at Cann Hall and South Rise
- Replaced of windows at Cann Hall
- Ensured heating is on in term time and hours of school operation only, doors & windows closed in accordance with H & S when heating is on. Heating off when not required.
- Maintaining the PVs at Alderwood and Deansfield.

THE COMPASS PARTNERSHIP OF SCHOOLS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The Trust will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its students are fully prepared for the next steps in their school life. At Board level the Trust will work with local authorities, the Department for Education, and individual schools to grow the number of schools at a manageable rate and around our hub model. The hub model allows for meaningful collaboration within a geographical locality and ensures progress is sustained in all schools.

The schools know their strengths and weaknesses based on continual self-assessment. External validation through an annual programme of review- is well used to formulate developments. The School Development Plan is succinct and well-focussed on key developmental areas and sits within the wider Trust Three Year Strategic Plan.

Subject areas that are underperforming are challenged and supported so that improvements are made. Colleagues that require support to improve their own professional practice are similarly challenged and supported. Interventions for pupils are thorough, although these are being modified to focus even more clearly of key strategic areas for improvement.

The Compass Partnership of Schools' is committed to the continual professional learning of all groups of staff. We have an extensive programme of in-house development programmes and support staff at all levels with career progression and learning. We are committed to the highest standards of professional learning as we know it is this that makes a difference to pupil engagement and outcomes.

The four CHANGE schools transferred to the Compass Partnership on January 1st 2022. In the autumn term 2021 as part of the transition plan the Compass CEO acted as interim CEO for CHANGE and the CHANGE Finance Director acted as interim FD for Compass. The ESFA approved both appointments.

Auditor

In so far as the Directors are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

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

M Whitehead

Chair

THE COMPASS PARTNERSHIP OF SCHOOLS

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Compass Partnership Of Schools 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 Directors 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 The Compass Partnership Of Schools and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 7 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
H Lewis	7	7
O Ralston	4	7
C Rea	6	7
S Skidmore	7	7
M Whitehead (Chair)	7	7
N Fitzgerald	6	7
A Wasik-Hyde	6	7
R Bansil	5	7
P Brightly-Jones (Resigned 5 November 2021)	0	1
S Shah (Resigned 10 April 2022)	5	5
S Hayward (Appointed 1 January 2022)	2	3

In the period September 2021 – August 2022 P Brightly-Jones and S Shah resigned from the Board and S Hayward was appointed.

- The Board has undertaken the annual review of the Scheme of Delegation, continues work on its governance framework, undertaken the performance management of the CEO, Executive Headteachers and COO, and continued with the day-to day oversight of the group of schools.
- The Trust's data management and reporting system is highly effective and facilitates challenge.
- The Trust is committed to externally reviewing its work every three years

The Board met 7 times in the year. The business committee met on 4 occasions and the audit and risk committee also met on three occasions. The Pay & Personnel (sub-committee of Business) met on six occasions & Standards Committee met on four occasions. There is a continued dialogue between the committees and the full Board and any issues or concerns are also discussed as and when required. The Board established a Trust Development Committee.

The Board commissioned an external review of governance in June 22. The review found that governance works well at all levels, with clear accountabilities and a skilled Board of Trustees. The review recommends we continue to work with local governors to ensure that they are able to best maximise their impact on the areas they focus on.

Conflict of Interests

The trust maintains a conflict of interest policy which is kept under regular review by the Board. A register of business interests is published on the Trust and school websites. Trustees and governors must declare any interests at the start of meetings. The Audit & Risk Committee are responsible for maintaining oversight and scrutiny of the process. If a conflict were to arise the circumstances would be discussed by the Audit and Risk Committee and a decision taken on the appropriate course of action.

THE COMPASS PARTNERSHIP OF SCHOOLS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The business committee is a sub-committee of the main Board of Directors. Its purpose is to ensure the appropriate use of trust funds in accordance with Financial Policy and Governance. It will review and recommend budgets to the Board and to monitor through the production of monthly management accounts. This committee also has oversight of Health and Safety, Assets and Estate management.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
H Lewis	4	4
S Skidmore	2	4
M Whitehead (Chair)	4	4
N Fitzgerald	2	4
S Shah (Resigned 10 April 2022)	1	2

The audit committee is a sub-committee of the main Board of Directors.

The audit and risk committee purpose is to review all documents involving internal and external audit, risk and financial policies. It will appoint and set the program and review the outcomes from internal audit. It will appoint, review planning, receive and review the management letter produced by the external auditor

The audit and risk committee will also review levels of risk and financial policies.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
O Ralston	3	3
C Rea	3	3
A Wasik-Hyde	1	1
S Hayward (Appointed 1 January 2022)	2	2

Review of value for money

The Board is focussed on ensuring value for money for the Trust is achieved. Joint procurement opportunities are explored and quotes are sought in accordance with the scheme of delegation to ensure that prices are competitive, whilst ensuring good quality is achieved.

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

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

The purpose of the system of internal control

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

THE COMPASS PARTNERSHIP OF SCHOOLS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Capacity to handle risk

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

The risk and control framework

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

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

The Trust has considered the need for a specific internal scrutiny function and have appointed Alan Patient & Co Limited to support its review of financial control across two schools that has not been previously visited. Their role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

Alan Patient & Co Limited reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

The Trust confirms the internal auditor has delivered their schedule of work as planned and no material control issues arose as a result of the internal auditor's work.

Other reviews that took place within the year include

Schools Health and Safety audits

Support and Challenge meeting led by the CEO and an external improvement partner

Some schools receiving safeguarding audits

All schools (except the Compass East Schools, due to the timing of joining,) received a Challenge Partners QA review

The Board have relied on the external audit of Essex Schools to the 31st December to give assurance on the controls in the new Essex schools and will in the future assess the internal scrutiny necessary on the risk register.

The Trust has received reports on GDPR and Health and Safety compliance in the year and is monitoring the outcomes from these reports to add assurance to its non-financial responsibilities.

THE COMPASS PARTNERSHIP OF SCHOOLS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- ESFA Finance and Governance review
- HMRC- PAYE review
- GDPR review
- Health and Safety audits

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

Approved by order of the Board of Directors on 08 December 2022 and signed on its behalf by:

M Whitehead
Chair

J Camp
Accounting Officer

THE COMPASS PARTNERSHIP OF SCHOOLS

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

J Camp
Accounting Officer

08 December 2022

THE COMPASS PARTNERSHIP OF SCHOOLS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

In preparing these accounts, the Directors are required to:

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

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

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

Approved by order of the members of the Board of Directors on 08 December 2022 and signed on its behalf by:

M Whitehead

Chair

THE COMPASS PARTNERSHIP OF SCHOOLS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPASS PARTNERSHIP OF SCHOOLS

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of The Compass Partnership of Schools for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Multi Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

THE COMPASS PARTNERSHIP OF SCHOOLS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPASS PARTNERSHIP OF SCHOOLS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

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

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

THE COMPASS PARTNERSHIP OF SCHOOLS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPASS PARTNERSHIP OF SCHOOLS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

Use of our report

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

for and on behalf of Azets Audit Services

16 December 2022

**Chartered Accountants
Statutory Auditor**

Greytown House
221-227 High Street
Orpington
Kent
United Kingdom
BR6 0NZ

THE COMPASS PARTNERSHIP OF SCHOOLS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE COMPASS PARTNERSHIP OF SCHOOLS AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 29 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Compass Partnership of Schools during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Compass Partnership of Schools and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Compass Partnership of Schools 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 The Compass Partnership of Schools and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Compass Partnership of Schools's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Compass Partnership of Schools's funding agreement with the Secretary of State for Education dated 28 June 2017 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

THE COMPASS PARTNERSHIP OF SCHOOLS

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

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

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

Reporting Accountant

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ
United Kingdom

Dated: 16 December 2022

THE COMPASS PARTNERSHIP OF SCHOOLS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Restricted funds:		Total 2022	Total 2021 as restated
	Notes	£'000	General	Fixed asset	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	251	16	2,097	2,364	1,488
Donations - transfer from local authority on conversion		-	-	-	-	13,167
Donations - transfer of existing academy into the trust		988	(5,233)	14,567	10,322	-
Charitable activities:						
- Funding for educational operations	4	279	30,243	-	30,522	22,873
Other trading activities	5	827	-	-	827	710
Investments	6	1	-	-	1	-
Total		<u>2,346</u>	<u>25,026</u>	<u>16,664</u>	<u>44,036</u>	<u>38,238</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	852	34,662	1,652	37,166	28,220
Total	7	<u>852</u>	<u>34,662</u>	<u>1,652</u>	<u>37,166</u>	<u>28,220</u>
Net income/(expenditure)		1,494	(9,636)	15,012	6,870	10,018
Transfers between funds	19	(418)	271	147	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	25,404	-	25,404	(3,262)
Net movement in funds		1,076	16,039	15,159	32,274	6,756
Reconciliation of funds						
Total funds brought forward		2,999	(20,709)	83,328	65,618	58,862
Total funds carried forward		<u>4,075</u>	<u>(4,670)</u>	<u>98,487</u>	<u>97,892</u>	<u>65,618</u>

THE COMPASS PARTNERSHIP OF SCHOOLS

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021 As restated	Notes	Unrestricted funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2021 £'000
Income and endowments from:					
Donations and capital grants	3	75	14	1,399	1,488
Donations - transfer from local authority on conversion		426	(759)	13,500	13,167
Charitable activities:					
- Funding for educational operations	4	110	22,763	-	22,873
Other trading activities	5	710	-	-	710
Total		1,321	22,018	14,899	38,238
Expenditure on:					
Charitable activities:					
- Educational operations	9	216	26,696	1,308	28,220
Total	7	216	26,696	1,308	28,220
Net income/(expenditure)		1,105	(4,678)	13,591	10,018
Transfers between funds	19	(442)	1,639	(1,197)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(3,262)	-	(3,262)
Net movement in funds		663	(6,301)	12,394	6,756
Reconciliation of funds					
Total funds brought forward		2,336	(14,408)	70,934	58,862
Total funds carried forward		2,999	(20,709)	83,328	65,618

THE COMPASS PARTNERSHIP OF SCHOOLS

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021 as restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		96,854		83,328
Current assets					
Stocks	14	7		-	
Debtors	15	2,343		1,296	
Cash at bank and in hand		6,247		3,596	
		8,597		4,892	
Current liabilities					
Creditors: amounts falling due within one year	16	(2,867)		(1,893)	
Net current assets			5,730		2,999
Total assets less current liabilities			102,584		86,327
Creditors: amounts falling due after more than one year	17		(17)		-
Net assets before defined benefit pension scheme liability			102,567		86,327
Defined benefit pension scheme liability	21		(4,675)		(20,709)
Total net assets			97,892		65,618
Funds of the Multi Academy Trust:					
Restricted funds	19				
- Fixed asset funds			98,487		83,328
- Restricted income funds			5		-
- Pension reserve			(4,675)		(20,709)
Total restricted funds			93,817		62,619
Unrestricted income funds	19		4,075		2,999
Total funds			97,892		65,618

The accounts on pages 26 to 53 were approved by the Directors and authorised for issue on 08 December 2022 and are signed on their behalf by:

M Whitehead
Chair

Company Number 10360957

THE COMPASS PARTNERSHIP OF SCHOOLS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022		2021 as restated	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	22		639		(916)
Cash funds transferred on conversion			988		426
			<u>1,627</u>		<u>(490)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1		-	
Capital grants from DfE Group		1,611		1,156	
Capital funding received from sponsors and others		-		37	
Purchase of tangible fixed assets		(611)		(191)	
		<u></u>		<u></u>	
Net cash provided by investing activities			1,001		1,002
Cash flows from financing activities					
Repayment of other loan		23		-	
		<u></u>		<u></u>	
Net cash provided by/(used in) financing activities			23		-
			<u></u>		<u></u>
Net increase in cash and cash equivalents in the reporting period			2,651		512
Cash and cash equivalents at beginning of the year			3,596		3,084
			<u></u>		<u></u>
Cash and cash equivalents at end of the year			<u>6,247</u>		<u>3,596</u>

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

The Compass Partnership of Schools is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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

1.1 Basis of preparation

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

1.2 Changes in accounting policies

Previously leasehold land had not been depreciated, however as the Academy has the right to use over the course of the lease the Trustees have made the decision to depreciate the land over the 125 years of the lease.

1.3 Going concern

The Directors 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Multi Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.4 Transfer in of an existing trust

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

1.5 Income

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

Grants

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

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

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

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.6 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.7 Tangible fixed assets and depreciation

Assets costing more than £5,000 for an individual item or £10,000 for a group of items are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The properties have been included at the valuation provided by the ESFA when completing their desktop valuation.

On conversion the academies entered into 125 year leases on their land and buildings with the relevant local authority.

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

Buildings	2% straight line
Leasehold land	over the period of the lease
Computer equipment	33% straight line
Fixtures, fittings & equipment	20 % straight line
Motor vehicles	20% straight line

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

1.8 Liabilities

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

1.9 Leased assets

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

1.10 Financial instruments

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

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.

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 Taxation

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

1.13 Pensions benefits

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

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

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

1.14 Fund accounting

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

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.

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Donated fixed assets	-	-	-	14
DfE donated laptops	-	-	-	75
Capital grants	-	2,097	2,097	1,287
Other donations	251	16	267	112
	<u>251</u>	<u>2,113</u>	<u>2,364</u>	<u>1,488</u>

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the Multi Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	19,388	19,388	12,928
Other DfE/ESFA grants:				
UIFSM	-	445	445	369
Pupil premium	-	1,273	1,273	940
Supplementary grant	-	224	224	-
PE and sports premium	-	185	185	123
Rates	-	64	64	96
Teachers pension grants	-	34	34	360
Teachers pay grants	-	12	12	120
Recovery premium	-	150	150	-
Tutoring grant	-	132	132	-
DfE teaching grants	-	-	-	148
Others	-	124	124	10
	-	22,031	22,031	15,094
Other government grants				
Local authority grants	-	8,212	8,212	7,426
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	-	-	239
Non-DfE/ESFA				
Coronavirus job retention scheme grant	-	-	-	4
	-	-	-	243
Other incoming resources	279	-	279	110
Total funding	279	30,243	30,522	22,873

Last year the academy trust received £233k of Covid Catch up funding, £6k for mass testing and £4k of CJRS for a furloughed member of school staff.

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Hire of facilities	49	-	49	36
School to School Support	195	-	195	51
Other income	583	-	583	623
	<u>827</u>	<u>-</u>	<u>827</u>	<u>710</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Short term deposits	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2022 £'000	Total 2021 restated £'000
Academy's educational operations					
- Direct costs	22,151	1,455	1,476	25,082	17,705
- Allocated support costs	7,401	2,542	2,141	12,084	10,515
	<u>29,552</u>	<u>3,997</u>	<u>3,617</u>	<u>37,166</u>	<u>28,220</u>

Net income/(expenditure) for the year includes:

	2022 £'000	2021 restated £'000
Fees payable to auditor for:		
- Audit	25	23
- Other services	5	3
Operating lease rentals	104	-
Depreciation of tangible fixed assets	1,652	1,308
Net interest on defined benefit pension liability	448	242
	<u>2,234</u>	<u>2,876</u>

THE COMPASS PARTNERSHIP OF SCHOOLS

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

8 Central services

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

- Executive Leadership
- Central business Team
- Governance
- IT support
- Project management of CIF projects
- Funding towards building projects
- Marketing materials and website
- Promotion of school improvement courses
- Premises support
- Curriculum support

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

- 4% - 7% of GAG income

The amounts charged during the year were as follows:

	2022 £'000	2021 £'000
Alderwood Primary School	88	65
Deansfield Primary School	113	92
Halstow Primary School	116	89
Horn Park Primary School	122	96
South Rise Primary School	184	146
Willow Dene School	150	129
Wingfield Primary School	159	57
Cann Hall	122	-
John Ray Junior	109	-
Notley Green	111	-
Shalford Primary School	17	-
	<u>1,291</u>	<u>674</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 restated £'000
Direct costs				
Educational operations	322	24,760	25,082	17,705
Support costs				
Educational operations	530	11,554	12,084	10,515
	<u>852</u>	<u>36,314</u>	<u>37,166</u>	<u>28,220</u>

THE COMPASS PARTNERSHIP OF SCHOOLS

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

9 Charitable activities

(Continued)

	2022	2021 restated
	£'000	£'000
Analysis of support costs		
Support staff costs	7,401	5,590
Depreciation	197	176
Technology costs	233	326
Premises costs	2,345	3,055
Legal costs	33	14
Other support costs	1,818	1,306
Governance costs	57	48
	<u>12,084</u>	<u>10,515</u>

10 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£'000	£'000
Wages and salaries	19,331	14,521
Social security costs	1,816	1,352
Pension costs	7,716	5,058
	<u>28,863</u>	<u>20,931</u>
Staff costs - employees	28,863	20,931
Agency staff costs	678	376
Staff restructuring costs	11	8
	<u>29,552</u>	<u>21,315</u>
Staff development and other staff costs	152	52
	<u>29,704</u>	<u>21,367</u>
Staff restructuring costs comprise:		
Redundancy payments	6	8
Severance payments	5	-
	<u>11</u>	<u>8</u>

Staff redundancy/ severance payments

The trust paid 4 redundancy /severance payments in the year, disclosed in the following bands:

£0 - £25000	4
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THE COMPASS PARTNERSHIP OF SCHOOLS

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

10 Staff

(Continued)

Staff numbers

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

	2022 Number	2021 Number
Teachers	197	157
Administration and support	480	391
Management	53	45
	<u>730</u>	<u>593</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	12	18
£70,001 - £80,000	5	7
£80,001 - £90,000	3	5
£90,001 - £100,000	1	-
£100,001 - £110,000	2	4
£110,001 - £120,000	1	-
£140,001 - £150,000	1	1
	<u>25</u>	<u>25</u>

Key management personnel

The key management personnel of the Multi Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Multi Academy Trust was £873k (2021: £766k). The Compass Partnership of schools set pay according to the STPCD. Changes in the numbers of leaders in each category is the result of the nationally agreed pay award.

11 Directors' remuneration and expenses

One Director has been paid remuneration or has received other benefits from an employment with the Multi Academy Trust. The CEO only receives remuneration in respect of services provided undertaking the role of CEO under contracts of employment, and not in respect of services as a Director.

The value of remuneration and other benefits was as follows:

J Camp (Chief Executive Officer)

- Remuneration: £145,001 - £150,000 (2021: £140,001 - £145,000)
- Employers pension contributions £30,001 - £35,000 (2021: £30,000- £35,000)

During the year no expenses were reimbursed to governors (2021: £nil).

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

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Directors' and officers' insurance

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

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2021	87,370	335	449	99	88,253
Transfer on conversion	14,416	116	35	-	14,567
Additions	548	57	6	-	611
At 31 August 2022	102,334	508	490	99	103,431
Depreciation					
At 1 September 2021	4,411	231	216	67	4,925
Charge for the year	1,455	95	95	7	1,652
At 31 August 2022	5,866	326	311	74	6,577
Net book value					
At 31 August 2022	96,468	182	179	25	96,854
At 31 August 2021	82,959	104	233	32	83,328

Previously leasehold land had not been depreciated, however as the Academy has the right to use over the course of the lease the Trustees have made the decision to depreciate the land over the 125 years of the lease. The land was initially transferred at the date of each schools conversion and therefore a prior year adjustment has made to reflect the correct bought forward depreciation, amounting to £923k and to include the depreciation charge for last year amounting to £305k. The net affect is to reduce the net book value of leasehold land and buildings by £1,228K as at 31 August 2021.

The additions to land and buildings relate to fire safety improvements, swim spa, log cabin, boiler, windows, classroom refit, library refurbishment, toilet refurbishment and artificial surfaces.

14 Stocks

	2022 £'000	2021 £'000
Catering stock	7	-

THE COMPASS PARTNERSHIP OF SCHOOLS

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

15 Debtors

	2022 £'000	2021 £'000
Trade debtors	3	-
VAT recoverable	403	135
Other debtors	2	426
Prepayments and accrued income	1,935	735
	<u>2,343</u>	<u>1,296</u>

16 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Other loans	6	-
Trade creditors	839	-
Other taxation and social security	466	371
Other creditors	643	496
Accruals and deferred income	913	1,026
	<u>2,867</u>	<u>1,893</u>

17 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Other loans	17	-
	<u>17</u>	<u>-</u>

Analysis of loans	2022 £'000	2021 £'000
Wholly repayable within five years	23	-
Less: included in current liabilities	(6)	-
	<u>17</u>	<u>-</u>
Amounts included above	<u>17</u>	<u>-</u>

Loan maturity

Debt due in one year or less	6	-
Due in more than one year but not more than two years	6	-
Due in more than two years but not more than five years	11	-
	<u>23</u>	<u>-</u>

Included within creditors is a loan of £23k (2021: £nil) from SALIX which is interest free and repayable by 2026.

THE COMPASS PARTNERSHIP OF SCHOOLS

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

18 Deferred income

	2022 £'000	2021 £'000
Deferred income is included within:		
Creditors due within one year	294	368
	=====	=====
Deferred income at 1 September 2021	368	247
Released from previous years	(368)	(247)
Resources deferred in the year	294	368
	=====	=====
Deferred income at 31 August 2022	294	368
	=====	=====

At the balance sheet date the Academy Trust was holding funds received in advance for universal infant free school meals relating to financial year 2022/23.

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	-	19,388	(19,659)	271	-
UIFSM	-	445	(445)	-	-
Pupil premium	-	1,273	(1,273)	-	-
Other DfE/ESFA grants	-	124	(124)	-	-
Other government grants	-	8,212	(8,212)	-	-
Supplementary grant	-	224	(224)	-	-
PE and SPorts premium	-	185	(185)	-	-
Rates	-	64	(64)	-	-
Teachers Pension grant	-	34	(34)	-	-
Teachers pay grant	-	12	(12)	-	-
Recovery premium	-	150	(145)	-	5
Tutoring grant	-	132	(132)	-	-
Other restricted funds	-	16	(16)	-	-
Pension reserve	(20,709)	(5,233)	(4,137)	25,404	(4,675)
	(20,709)	25,026	(34,662)	25,675	(4,670)
Restricted fixed asset funds					
DfE group capital grants	-	2,097	-	(464)	1,633
General Fixed assets	83,328	14,567	(1,652)	611	96,854
	83,328	16,664	(1,652)	147	98,487
Total restricted funds	62,619	41,690	(36,314)	25,822	93,817
Unrestricted funds					
General funds	2,999	2,346	(852)	(418)	4,075
Total funds	65,618	44,036	(37,166)	25,404	97,892

THE COMPASS PARTNERSHIP OF SCHOOLS

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

19 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

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

Pupil Premium, UIFSM, Supplementary grant, PE and Sports premium, Rates, Teachers pension grant, Teachers pay grant, Recovery premium and Tutoring grant: Income received from the ESFA as described.

Other DFE/ ESFA grants: This includes TCAF, ECT back fill, NQT, mental health and other small grants from ESFA

Other government grants: This includes early years, pupil premium, High Needs and growth fund from the Local Authority.

Other restricted: restricted donations received for specific costs.

DFE group capital grants: This includes devolved formula capital, SCA and CIF grants.

The transfer of funds relates to purchase of and transfer of fixed assets between funds and overspend on GAG.

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

	Balance at 1 September			Gains, losses and transfers	Balance at 31 August restated
	2020 £'000	Income £'000	Expenditure £'000	£'000	2021 £'000
Restricted general funds					
General Annual Grant (GAG)	-	12,928	(14,567)	1,639	-
UIFSM	-	369	(369)	-	-
Pupil premium	-	940	(940)	-	-
Other DfE/ESFA grants	-	158	(158)	-	-
Other government grants	-	7,430	(7,430)	-	-
Covid Support	-	239	(239)	-	-
PE and SPoorts premium	-	123	(123)	-	-
Rates	-	96	(96)	-	-
Teachers Pension grant	-	360	(360)	-	-
Teachers pay grant	-	120	(120)	-	-
Other restricted funds	-	14	(14)	-	-
Pension reserve	(14,408)	(759)	(2,280)	(3,262)	(20,709)
	(14,408)	22,018	(26,696)	(1,623)	(20,709)
Restricted fixed asset funds					
Transfer on conversion	-	13,500	-	(13,500)	-
DfE group capital grants	64	1,287	-	(1,351)	-
General Fixed assets	70,870	112	(1,308)	13,654	83,328
	70,934	14,899	(1,308)	(1,197)	83,328
Total restricted funds	56,526	36,917	(28,004)	(2,820)	62,619
Unrestricted funds					
General funds	2,336	1,321	(216)	(442)	2,999
Total funds	58,862	38,238	(28,220)	(3,262)	65,618

THE COMPASS PARTNERSHIP OF SCHOOLS

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

19 Funds

(Continued)

Total funds analysis by academy

	2022	2021 restated
	£'000	£'000
Fund balances at 31 August 2022 were allocated as follows:		
Alderwood Primary School	1	1
Deansfield Primary School	1	1
Halstow Primary School	1	1
Horn Park Primary School	1	1
South Rise Primary School	1	1
Willow Dene School	1	1
Wingfield Primary School	1	1
Cann Hall	1	-
John Ray Junior	1	-
Notley Green	1	-
Shalford Primary School	1	-
Central services	4,116	2,992
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	4,127	2,999
	<hr/>	<hr/>
Restricted fixed asset fund	98,487	83,328
Pension reserve	(4,675)	(20,709)
	<hr/>	<hr/>
Total funds	97,939	65,618
	<hr/>	<hr/>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Alderwood Primary School	1,086	188	30	300	1,604	1,665
Deansfield Primary School	1,748	332	25	470	2,575	2,386
Halstow Primary School	1,507	199	96	375	2,177	2,211
Horn Park Primary School	1,906	221	43	323	2,493	2,446
South Rise Primary School	2,745	461	61	542	3,809	3,743
Willow Dene School	7,129	894	157	936	9,116	8,714
Wingfield Primary School	2,472	505	83	526	3,586	1,404
Cann Hall	989	123	33	181	1,326	-
John Ray Junior	1,014	108	32	181	1,335	-
Notley Green	836	158	40	156	1,190	-
Shalford Primary School	206	32	17	64	319	-
Central services	513	4,179	-	1,291	4,692	2,725
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	22,151	7,400	617	5,345	34,222	25,294
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE COMPASS PARTNERSHIP OF SCHOOLS

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

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	96,854	96,854
Current assets	4,075	2,889	1,633	8,597
Creditors falling due within one year	-	(2,867)	-	(2,867)
Creditors falling due after one year	-	(17)	-	(17)
Defined benefit pension liability	-	(4,675)	-	(4,675)
Total net assets	4,075	(4,670)	98,487	97,892
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000 restated	Total Funds £'000 restated
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	83,328	83,328
Current assets	2,999	1,893	-	4,892
Creditors falling due within one year	-	(1,893)	-	(1,893)
Defined benefit pension liability	-	(20,709)	-	(20,709)
Total net assets	2,999	(20,709)	83,328	65,618

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £490k were payable to the schemes at 31 August 2022 (2021: £376k) 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.

THE COMPASS PARTNERSHIP OF SCHOOLS

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

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £2,266k (2021: £1,816k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 16.2% for employers and 5.5% -12.5% for employees.

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

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

Total contributions made	2022 £'000	2021 £'000
Employer's contributions	1,761	1,203
Employees' contributions	534	387
Total contributions	2,295	1,590

THE COMPASS PARTNERSHIP OF SCHOOLS

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

21 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.91	3.85
Rate of increase for pensions in payment/inflation	2.9	2.55
Discount rate for scheme liabilities	4.25	1.7

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

	2022 Years	2021 Years
Retiring today		
- Males	20.7	20.9
- Females	23.38	23.6
Retiring in 20 years		
- Males	22.02	22.4
- Females	24.82	25.2

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

	2022 £'000	2021 £'000
Discount rate + 0.1%	-687	-979
Discount rate - 0.1%	705	1008
Mortality assumption + 1 year	795	1420
Mortality assumption - 1 year	-770	-1356
Salary rate + 0.1%	40	72
Salary rate - 0.1%	-39	-71
Pension rate + 0.1%	674	924
Pension rate - 0.1%	-655	-898

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

	2022 Fair value £'000	2021 Fair value £'000
Equities	11,552	8,847
Other Bonds	2,906	2,405
Gilts	99	-
UK & Overseas Unit Trusts	1,956	1,789
Property	2,296	1,329
Other assets	2,221	235
Total market value of assets	21,030	14,605

The actual return on scheme assets was £(443,000) (2021: £2,006,000).

THE COMPASS PARTNERSHIP OF SCHOOLS

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

21 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2022 £'000	2021 £'000
Current service cost	5,450	3,237
Past service cost	-	4
Interest income	(328)	(180)
Interest cost	776	422
	<hr/>	<hr/>
Total operating charge	5,898	3,483
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Changes in the present value of defined benefit obligations	2022 £'000
At 1 September 2021	35,314
Transferred in on existing academies joining the Multi Academy Trust	10,172
Current service cost	5,450
Interest cost	776
Employee contributions	534
Actuarial (gain)/loss	(26,175)
Benefits paid	(366)
	<hr/>
At 31 August 2022	25,705
	<hr/>

Changes in the fair value of the Multi Academy Trust's share of scheme assets	2022 £'000
At 1 September 2021	14,605
Transferred in on existing academies joining the Multi Academy Trust	4,939
Interest income	328
Actuarial loss/(gain)	(771)
Employer contributions	1,761
Employee contributions	534
Benefits paid	(366)
	<hr/>
At 31 August 2022	21,030
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THE COMPASS PARTNERSHIP OF SCHOOLS

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

22 Reconciliation of net income to net cash flow from operating activities

	2022	2021 restated
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	6,870	10,018
Adjusted for:		
Net surplus on conversion to academy	-	(13,167)
Net surplus on transfer of academy in the trust	(10,322)	-
Capital grants from DfE and other capital income	(2,097)	(1,399)
Investment income receivable	(1)	-
Defined benefit pension costs less contributions payable	3,689	2,038
Defined benefit pension scheme finance cost	448	242
Depreciation of tangible fixed assets	1,652	1,308
(Increase) in stocks	(7)	-
(Increase) in debtors	(561)	(493)
Increase in creditors	968	537
Net cash provided by/(used in) operating activities	639	(916)

23 Analysis of changes in net funds

	1 September 2021	Cash flows	31 August 2022
	£'000	£'000	£'000
Cash	3,596	2,651	6,247
Loans falling due within one year	-	(6)	(6)
Loans falling due after more than one year	-	(17)	(17)
	3,596	2,628	6,224

24 Long-term commitments, including operating leases

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

	2022	2021
	£'000	£'000
Amounts due within one year	30	24
Amounts due in two and five years	4	20
	34	44

THE COMPASS PARTNERSHIP OF SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Capital commitments

	2022 £'000	2021 £'000
Expenditure contracted for but not provided in the accounts	1,168	-

Capital commitments at the year end for windows, heating, fire safety and toilet refurbishment. £1,118k is already funded and included as a carry forward fund under DfE/ESFA capital grants.

26 Related party transactions

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

The wife of Mr H Lewis is employed by the Trust as an Assistant Head until retiring in April 2022. The appointment was made in open competition and the Director was not involved in the decision-making process regarding appointment. She is paid within the normal salary scale for her role and receive no special treatment as a result of being related to a Director.

During the year Endeavour Partnership Trust provided financial services support amounting to £1,750 (2021: £15,780), Mr J Camp is a Director of Endeavour Partnership Trust.

27 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.

28 Transfer of existing academies into the Multi Academy Trust

On 1 January 2022 Change Schools Partnership transferred into the trust.

	Transfer in recognised £'000
Net assets acquired	
Leasehold land and buildings	14,416
Other tangible fixed assets	151
Cash and cash equivalents	988
Pension scheme	(5,233)
Total net assets	10,322

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

THE COMPASS PARTNERSHIP OF SCHOOLS

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

29 Prior period adjustment

		1 September 2020 £'000	31 August 2021 £'000
Reconciliation of funds	Notes		
Funds as previously reported		59,794	66,855
Adjustments arising:			
Depreciation on leasehold land		(932)	(1,237)
Funds as restated		58,862	65,618
Reconciliation of net income for the previous financial period	Notes		2021 £'000
Net income as previously reported			10,323
Adjustments arising:			
Depreciation on leasehold land			(305)
Net income as restated			10,018

Notes to restatement

Change in accounting policy on depreciation of leasehold land

Previously leasehold land had not been depreciated, however as the Academy has the right to use over the course of the lease the Trustees have made the decision to depreciate the land over the 125 years of the lease. The land was initially transferred on the date of conversion and therefore a prior year adjustment has been made to reflect the correct brought forward depreciation, amounting to £932k and to include the depreciation charge for last year amounting to £305k.