

Company Registration No. 10264735 (England and Wales)

MARITIME ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

MARITIME ACADEMY TRUST

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MARITIME ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Thompson
B Hutchings
B Vallely
M Nash
A Watson

Trustees

T Beck (Chair)
T Gilliford
A Korin
T Miller (Resigned 16 October 2018)
M Myers
N Osborne (Accounting Officer)
P Vachha
D Cockcroft (Appointed 16 October 2018)

Central Trust

N Osborne	- CEO
T Miller	- Finance Director
D Cusack	- HR Director
S Matheson	- Operations Director
P Woods	- Estate & Compliance Manager
C Hornsby	- Educational Partnerships Lead, SEND Lead & Safeguarding Lead

Company registration number

10264735 (England and Wales)

Registered office

c/o Millennium Primary School
50 John Harrison Way
Greenwich
London
SE10 0BG

Academies operated

Featherby Infant School
Featherby Junior School
Greenacres Primary School
Nightingale Primary School
Brooklands Primary School
Millennium Primary School
Timbercroft Primary School

Location

Gillingham
Gillingham
Eltham
Woolwich
Blackheath
Greenwich
Plumstead

Headteacher

R Coleman
D Marsh
D Marsh
R COleman
C Hornsby
J Gledhill
D Joyce

Independent auditor

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

MARITIME ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank
6 Crescent Arcade
Greenwich
London
SE10 9EL

MARITIME ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates seven academies for children aged 3 -11. The Academies are in the areas of Greenwich and Medway. The academies have a combined pupil capacity of 2,464, and had a roll of 2,307 as at the October 2018 school census

Please see below for pupil capacity:

Brooklands Primary School:

Capacity of School 262 (210 +52 nursery)

Number on Roll 200

Number on roll of on-site Nursery 45

Millennium Primary School

Capacity of School 472 (420 +52)

Number on Roll 416

Number on roll of on-site Nursery - 47

Timbercroft Primary School

Capacity of School 472 (420 +52)

Number on Roll 383

Number on roll of onsite Nursery - 34

Greenacres Primary School

Capacity of School 314 (210 +104 nursery)

Number on Roll 235

Number on roll of onsite Nursery 73

Nightingale Primary School

Capacity of School 262 (210 +52 nursery)

Number on Roll 203

Number on roll of on-site Nursery 32

Featherby Infants & Nursery School

Capacity of School 322 (270 +52 nursery)

Number on Roll 251

Number on roll of onsite Nursery 36

Featherby Junior School

Capacity of School 360

Number on Roll 352

Structure, governance and management

Constitution

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

The Trustees of Maritime Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Trustees

The Members of the Academy Trust shall comprise the signatories to the Memorandum and any person elected by the current Members by passing a special resolution to appoint additional Members provided that at any time the minimum number of members shall not be less than three. An employee of the Academy Trust cannot be a member of the Academy Trust.

The number of Trustees shall not be less than three, but shall not be subject to any maximum. The Academy Trust shall have the following Trustees:

- up to 4 Trustees appointed by ordinary resolution by the Members. The current Member-appointed Trustees are T Beck, T Gilliford, A Korin, M Myers-Lusty.

The Academy Trust may also have any Co-opted Trustee. A Co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee as appointed by the Members. The Maritime Chief Executive is a Trustee. Co-opted Trustees at the end of 31 August 2018 were P Vachha and T Miller. At the time of writing this report, T Miller is no longer a Trustee and the Board of Trustees had co-opted D Cockcroft.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

During the period under review the Board of Trustees held 6 Full Trust Board meetings, 6 Standards & Achievement Committee Meetings, 6 Finance & Audit Committee Meetings, 1 AGM, and various strategy meetings. The training and induction provided for new Trustees will depend on their existing experience. All new Trustees will meet with the Chair of Trustees, CEO, and other Trustees. They are familiarised with the vision, ethos, history, and future direction of the Trust. New Trustees will meet with the Finance Director and have the opportunity to meet with other key central staff including the HR Director, Operations Director, Estates & Compliance Manager and Educational Partnerships Lead. There is an open offer to tour the schools, meet with headteachers and children, and attend Big Outcomes. There is an annual tour of the schools for all Members and Trustees. New Trustees are provided with recent board packs, key documents including the Scheme of Delegation, Articles of Association, Keeping Children Safe in Education, and Academies Financial Handbook, as well as relevant policies, procedures, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. New Trustees are given training on the duties of Charity and Company Directors. As appointment of new Trustees is infrequent, induction tends to be done informally and is tailored specifically to the individual, led by the Chair of Trustees

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The structure consists of 4 levels: the Maritime Board of Trustees led by the Chair of Trustees, the central Trust team led by the CEO, and local governing bodies and school leadership teams. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels.

Maritime Trustees, in line with Trust vision, ethos, and culture, are responsible for setting Trust policy, adopting a 3-year strategic plan and budget monitoring for the Trust itself and all academies within the Trust through the use of budget reports and by making strategic decisions about the direction of Maritime Academy Trust, capital expenditure and senior appointments.

A school leadership team consists of Executive Head/Headteacher, Head of School/Deputy Head, Assistant Headteacher(s) and SENCO. These leaders control the academy at school level implementing the policies laid down by themselves, the LGB, Central Trust Team and the Board of Trustees. As a group the school leadership team is responsible for the authorisation of spending within the agreed budget and the appointment of non-senior staff. Appointments of headteachers are managed by the Board of Trustees.

Arrangements for setting pay and remuneration of key management personnel

The performance management and setting of the pay and remuneration of the Chief Executive is devolved from the Maritime Trust Board to a Performance & Pay Review Panel responsible for CEO performance management. This panel consists of the Chair and Vice Chair of Trustees, accompanied by an independent external adviser.

The performance management and pay and remuneration of the Central Trust Team below CEO level is set by the CEO and is aligned with Greenwich local authority and pay and conditions.

Headteacher pay in all Trust schools is set using the formula with the pay and conditions document applicable at the time of appointment. The CEO is responsible for the performance management and pay decisions for Headteachers, with input from the Local Governing Body.

Objectives and activities

"To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum." - Articles of Association

Our Vision

Our mission: to empower our schools with the means to drive ever greater and more enjoyable outcomes for children.

We believe:

- Every child has the right to a phenomenal education – regardless of ability or background
- Education is the best way to fight inequality
- Each school is different, each child is different
- Children learn best through creativity and innovation – and opportunities to make them the leaders
- Our expectations are of excellence, but how you get there is different for every school – consistency of impact without conformity in approach
- We can support people we believe in for a cause we believe in with relentless passion, perseverance, trust and a good sense of humour

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

How do we do it?

Collaborate. Within your school, across Maritime schools, and in other schools we work with.

Innovate. Take these shared ideas and approaches and find new ways to make them work in your classrooms for your students.

Educate. Break the barriers to learning so that each child is ready for the future. School should be a safe, happy, and effective place.

What do we want in our schools?

Happy, resilient children who are confident to give things a go, who are getting memorable experiences, in fantastic learning environments, with outstanding results to set them up for the next stage in their lives – being taught by dynamic teachers who love their work and working together.

Maritime Curriculum

We are proud of our entrepreneurial curriculum, it is how we deliver sustained excellent education and transform schools. We believe in giving children the opportunities to be leaders, and that while we can't possibly imagine what their future lives and jobs will look like, we can build key life skills into their learning that will make them adaptable and better prepare them for whatever comes later. The Maritime Curriculum is based around our 5 Cs: Collaboration, Character, Creativity, Critical Thinking, and Communication, with key attributes within each of those. We believe that we should measure what we value, and as such over the course of 18/19 a new way of measuring our 5Cs is being developed and implemented. Our Curriculum is split across three terms, with one leading to a class Big Outcome for each class, another term following more traditional teaching, and a third term focusing on a whole-school Big Outcome. Our Big Outcomes begin with a problem that the children will work to solve, and over the course of the term their learning in various subjects will feed into the final Big Outcome. While all subjects will be taught, and many will directly teach through the entrepreneurial project, some subjects will be taught independently as we do not believe in making tenuous links. We are proud of our Maritime Curriculum as the entrepreneurial projects are not an add on, but a key vehicle in driving school improvement.

Maritime Culture

Being part of Maritime means something different than being part of any other Trust. Whether it's because of our vision, our curriculum, or our unique school improvement model which came into place in September 2018 outside the range of this report. Something that makes Maritime different and special is our Culture, whether on the Trust Board, the Central Team, or at school level. We are all working towards the same vision together. How we treat each other in the process matters, that's key to wellbeing and we all need to be on the same page for our model to be successful. It's about knowing our vision, our purpose, and what behaviours, what mindset, it takes to get us all there. The lens we use to approach opportunities, challenges, and the everyday, together. The behaviours developed by all staff and Trustees over 17/18 are Supportiveness & Trust, Collaboration, Adaptability, Creativity & Innovation, Humility, and Humour & Positivity. We have defined what we mean by these, we discuss them, we look at how these feed into success, and they now form part of our redesigned performance management processes across the Trust. Engagement and response to all of this has been overwhelmingly supportive and colleagues have really embraced these ideas. Being part of Maritime also means that our schools are receiving better, more individualised, and detailed support (in areas such as HR, estates, finance, etc) than they could have from the local authority, we are adding value to our schools and better supporting our staff. That is how we empower our schools to succeed.

Public benefit

The Trustees 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.

Admissions

The Trust adapts the admission policies of the Local Authority in which each school operates. For full details see the individual school websites.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

Subject	B	G	FI	FJ	M	N	T	NA
Reception								
EYFS GLD	83	67	74	N/A	75	76	83	71
Phonics	94	67	73	N/A	87	85	89	83
Key Stage 1								
Reading EX	83	64	74	N/A	79	79	79	75
Reading GD	13	19	14	N/A	26	25	19	26
Writing EX	83	64	68	N/A	78	68	78	70
Writing GD	17	14	10	N/A	22	18	10	16
Maths EX	83	67	75	N/A	84	79	78	76
Maths GD	17	17	23	N/A	26	18	12	22
Key Stage 2								
RWM EX	79	76	N/A	69	75	61	72	64
RWM GD	11	14	N/A	7	7	11	19	10
Reading EX	96	79	N/A	79	86	64	79	75
Reading GD	43	31	N/A	33	31	21	36	28
Writing EX	86	86	N/A	81	86	75	83	78
Writing GD	18	24	N/A	11	22	18	30	20
Maths EX	82	90	N/A	85	86	79	94	76
Maths GD	32	45	N/A	20	20	25	40	24

Key:

B - Brooklands
G - Greenacres
FI - Featherby Infants
FJ - Featherby Juniors
M - Millennium
N - Nightingale
T - Timbercroft
NA- National Average

Greenacres has a specialist provision for Developmental Language Delay which is included in this data, this has a negative impact on attainment data at all key stages as a significant number of children work below national curriculum levels.

Millennium has a specialist provision for Autism.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

To ensure that standards across the Trust remain above the national figure for both attainment and progress.

For disadvantaged children's attainment and progress to be in line with the progress of non-disadvantaged children nationally.

To ensure that standards across the Trust remain high and schools are challenging themselves by working in partnership across the Trust. The Trust operates a programme of internal & external support and challenge. To quality ensure the standards across all schools

The main KPI for the Trust is the Ofsted Inspection Framework.

In order to make a judgement we look at the:

- Achievement of pupils
- The quality of teaching within the schools
- The behaviour and safety of pupils in the schools
- The quality of leadership and management of the schools

We monitor the quality of our provision with regular teaching and learning reviews led by leaders from across the Trust. This enables us to provide effective and timely support to the schools. This process is led by our Educational Partnerships Lead and is supported by headteachers across the Trust. We also use external leaders to help us validate the judgements.

We judge all non-sponsored schools within the Trust to be at least good, with two of the schools outstanding.

Most recent Ofsted gradings:

Brooklands – Outstanding

Millennium – Outstanding

Timbercroft – Good

Featherby Juniors (Sponsored) - Inadequate

Featherby Infants - Good

Nightingale - Good

Greenacres - Good

Attendance across the Trust to be in line with the national average.

Going concern

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

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Most of the Trust's income is obtained from the Education, Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the period ended 31 August 2018, total expenditure of £14,147k (2017: £8,211k) was met by recurrent grant funding from the ESFA together with other incoming resources. 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 £1,213k (2017: £371k).

At 31 August 2018 the net book value of fixed assets was £63,606k (2017 restated: £38,865k). Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government pension scheme, in which the Trust participates, showed a deficit of £4,773k (2017: £2,648k) as at 31 August 2018.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £927k (2017: £400k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of unrestricted reserves of £1,816k (2017: £927k) (total funds less the amount held in fixed assets and restricted funds). The Trustees expect the level of reserves to decrease in the coming years.

Reserves are maintained to cover:

- Unexpected emergencies – 25% of reserves
- School led innovation projects – 25% of reserves
- Investments (to inflation proof reserves, although these can still be accessed in an emergency) – 50% of reserves

The reserves policy will be reviewed in 2018-19 to take into account the 2017-18 increased reserves level and financial risks identified as part of the Trust's 3-year budget strategy.

The Trust held fund balances at 31 August 2018 at £60,620k (2017 restated: £37,383k) comprising £58,804k (2017: £36,456k) of restricted funds and £1,816k (2017: £927k) of unrestricted general funds. Of the restricted funds, £63,606k (2017: £38,665k) is represented by tangible fixed assets and £(29)k of grant spent where the income is yet to be received (2017: £239k) of remaining grant income to spend. The Pension reserve which is considered part of restricted funds was £4,773k (2017: £2,648k) in deficit.

Investment policy and powers

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

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The principal risks to Maritime Academy Trust are:

- Schools fails to maintain its OFSTED Outstanding / good grading – at the present time this is considered low risk
- Changes to leadership – leadership is stable and the Trust has invested in the development and performance management of all senior staff – medium risk
- Reduction in pupil numbers - resulting reduced income - our schools are popular / over-subscribed - low risk
- Buildings maintenance costs – due to the age and fabric of some school buildings – high risk
- Teacher recruitment and retention – high risk
- Reduced grant funding as a result of national changes to school funding – high risk
- Failure to sustainably grow - medium risk
- Damage to Trust reputation through poor performance / governance - low risk

Maritime Academy Trust has developed its risk register listing the key risks and mitigating factors. This enable s better monitoring of the risks and our ability to deal with them.

Risk management

The Trustees 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 Trustees 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. Maritime Academy Trust has an effective system of internal control as described in the MAT Financial Procedures.

Financial and risk management objectives and policies

The financial risks to the Trust relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers
- significant building issues requiring capital investment

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £4,773k (2017: £2,648k).

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

The Trust redesigned its education and school improvement model over the course of 17/18 in order to better deliver support and develop excellence at scale in line with the vision and experience that has driven success in the past. This new model was implemented in September 2018. As opposed to a more traditional top-down education director role, the Educational Partnerships Lead (EPL) is a facilitative role responsible for overseeing three key prongs of collaboration school improvement: collaborative support team, SIP teams, CPD. If one school has an issue with phonics, our EPL will assemble a bespoke team of phonics experts from across other schools in the Trust, who are tasked with helping to tackle the challenge. These teams are flexible and adaptable and can be put together to address anything from specific subject or phase issues, to developing NQTs or support staff, to modelling excellent teaching, and more. Our more formalised SIP teams are teams of 3 assembled from across the Trust, each school has a different team that comes in. Each team includes a head, a deputy, and a specialist, each from a different school, and that team will go into a fourth school as their SIP team for the year. Term 1 is a teaching review, term 2 focuses on middle leaders and the impact of the SDP, and term 3 focuses on a review of the year with a focus on governance. EPL is also responsible for overseeing our Education Offer, which is our excellent CPD offer for staff from teaching assistants to Executive Heads. This Education Offer is also part of our Partnership Offer to schools and trusts outside of Maritime, enabling our staff to learn alongside external staff and expand ideas and learning opportunities. The embedding and success of this model is key over the next year and beyond.

As stated above, our Maritime Curriculum is key to who we are and how we provide excellent education. We want to really ensure understanding and buy-in from staff, and work to promote it to parents so that they understand that by going to a Maritime school, their child's experience is different than going to another school and focused on our 5Cs to prepare them for their futures. We will begin measuring what we value with our 5Cs in order to demonstrate the strength of our curriculum. We plan to work with other organisations to develop the reputation, strength, and opportunities of our curriculum further.

We will continue to grow and develop the Trust in a sustainably balanced way, focusing on capacity, structure and growth. We need to grow to survive, but we also need to grow in order to develop and improve our collaborative model and build more capacity into our Trust. We also want to grow because when it is reasonable to do so, it is our moral duty to provide our exceptional education model to as many children as possible, ensuring that more children are in strong schools. Trustees are committed to doing this in a balanced way looking at how it will either stretch or enable the level of resources and capacity within the Trust, and ensuring that we are adding value to the schools who join us, that growth is not detrimental to the schools who are already part of us, and that growth adds value to the schools that we have as there are more opportunities for things such as development, collaboration, learning, and joint projects. We currently have a Greenwich Hub and a Medway Hub. We will continue to look at developing these Hubs and ensuring that if we were to grow into any other areas that we will continue to follow the collaborative Hub model. We will ensure capacity in advance of need. We will work closely with the Department for Education, Local Authorities, and other schools and key partners to ensure manageable growth. We will not grow to hit a number; we will not grow just because we can; we will grow because it is in the best interests of the children in our current schools and the schools that we can provide support to.

Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2018 and signed on its behalf by:

T Beck
Chair

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
T Beck (Chair)	6	6
T Gilliford	5	6
A Korin	5	6
T Miller (Resigned 16 October 2018)	6	6
M Myers	6	6
N Osborne (Accounting Officer)	6	6
P Vachha	3	6
D Cockcroft (Appointed 16 October 2018)	0	0

There were no changes to the membership of the Board of Trustees for the 17/18 school year. We would like to note that in Autumn 2018, which is outside the timeframe of this report, T Miller resigned from the Board of Trustees and an external non-executive was appointed to the Board, D Cockcroft, who brings external finance, risk management, and marketing expertise to the Board.

T Beck resigned from the Members of the Trust in January 2018 in order to ensure a complete separation between the Members and Trustees. Three new Members were recruited, bringing the total number of Members to five, in line with the general recommendations of the ESFA and DfE. Members were specifically recruited because of their commitment to the Maritime vision and their expertise in education and governance, and their ability to form a cohesive group committed to upholding the vision of the Trust.

As part of discussions around the replacement of T Miller as a Trustee and as part of an internal review of governance, the number of Trustees is remaining at 7 for the time being, though there is potential for recruiting for HR expertise down the line. The focus is on having the right people in place to build the Trust and ensuring that the Trust Board has fluid, honest conversations that relentlessly focus on ensuring the best for our schools and overseeing the strategic development of the Trust.

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Our Trust Board, both through August 2018 and with our recent change in membership, is very strong. Trustees have driven strategy and changes across the Trust, set the Trust priorities for the year, assessed structure, capacity and growth, and provided the right balance of support and challenge to the leadership. The Board is led by the Chair of Trustees, who is a National Leader of Governance and governance professional and is now an expert in MAT development. Trustees are highly skilled in areas including education, finance, teaching & learning, curriculum development, SEND, safeguarding, strategic planning, education research, law (including Company and Charity law), risk management, marketing, innovation, and organisational design and development. The Board is exceptionally strategic and forward-thinking and understands how to apply relevant individual skills to our education setting. There is an effective board culture of openness, honesty, and trust and focused support and challenge which enables productive conversations and flow. The dynamic of the Board is a real strength of the Trust, as is the team dynamic between the Board and the Chief Executive, enabling him to think differently and really drive the momentum, development, and success of the Trust. Key challenges for the Board in 17/18 included: ensuring that our school improvement model could scale and strengthen in line with our vision; ensuring sustainable growth rooted in a healthy culture across the Trust that supports staff wellbeing and development; dealing with the challenges of our first sponsor school; developing a 3-year budget strategy; developing a 3-year strategic plan; ensuring that focus is on what matters to us as a Trust - such as our curriculum; supporting the development of the CEO; and reviewing the effectiveness of local governance. The Board is very reflective and learns from mistakes, a key attribute of the Trust as a whole. The Board approaches every challenge with a keen strategic focus and develops innovative solutions that are unique to Maritime. We are very much learning as we go, but we are relentlessly focused on the successful organisational development of Maritime.

There is complete separation between Trustees and members of Local Governing Bodies. This is essential in order for Trustees to maintain strategic oversight of the Trust, remove any single-school mentality, and ensure confidentiality, accountability and transparency. There is one Transition Board in place across two schools, and there is crossover in membership there: T Beck as Chair of Trustees with education and governance expertise, N Osborne as Chief Executive, and T Miller as Finance Director. These three are on the Transition Board in order to oversee the rapid changes within the schools, embed the schools within the Trust, and recruit and develop governance for the schools. This Transition Board remains in place for 18/19 due to significant leadership changes within those schools over the 17/18 school year. The Transition Board is now ensuring the embedding of the new leadership structure and will become a Local Governing Body in September 2019.

Financial data received by Trustees is clear and strong and reflects changes to the format as requested by Trustees for clarity and effectiveness. Education data was inconsistent across the schools and Trustees asked for adjustments over the course of the year. There is a new format for collection across the Trust in place, and a new method of reporting from the Chief Executive which makes the data relevant and clear. Trustees also now receive reports from the Fisher Family Trust, as well as the IDSR and ASP.

Local Governing Bodies have been assessed over the course of the year by the Chair of Trustees, Chief Executive, Operations Director, and Finance Director, and discussed by all Trustees, and we know where the areas of strength and weakness are. The Trust is currently in the midst of an internal review to determine the most effective governance structure to support the aims and effectiveness of the Trust, in a manner which does not create unnecessary bureaucracy or undue burdens. The redesigned structure is expected to be in place by September 2019 and the Scheme of Delegation will be rewritten accordingly to better ensure effectiveness and clarity within the Trust. As work on a revised Scheme of Delegation is imminent, the annual review of the Scheme of Delegation which would normally have taken place in summer term for implementation in September 2018 will instead be incorporated into the revision process.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain oversight of:

- Governance and internal control
- Risk management
- Financial management and value for money
- External audit
- Financial statements and annual reports.

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
T Beck (Chair)	6	6
T Gilliford	3	6
T Miller (Resigned 16 October 2018)	6	6
N Osborne (Accounting Officer)	6	6
P Vachha	4	6

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Over the past financial year the Trust achieved value for money because results at the end of key stage 2 tend to be above the national average and the schools finances are managed effectively. Our sponsor schools results have continued to grow and are now in line or above the national average.

Over the past financial year the Trust has achieved Value for Money because results in all of the schools that were in the Trust for the whole financial year have improved significantly.

Children's progress continues to be strong across a number of the schools.

Our externally assessed Integrated Curriculum & Financial Planning (ICFP) assessment shows that the schools are spending their money wisely and this is having a positive impact on the attainment and progress of children at Maritime schools.

The Trust routinely reviews all contracts and service level agreements and in 2017-18 continued to secure better value provision for:

- School meals
- Governors support
- Health & Safety
- HR support
- Bursarial Services
- Insurance
- Speech & language services
- School improvement services
- Photocopying
- Cleaning

The purpose of the system of internal control

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

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an external consultant to support the Finance Director to complete the internal audit function.

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

Autumn 2017 Grant funding

- Accuracy of school census returns.
- Accurate recording of income, e.g. remittance notes, bank account statements reconciliation

Asset management - maintenance of asset registers

Reporting of pecuniary Interests – local governing bodies

Leasing arrangements

Spring 2018 Budgeting and monitoring systems

- Quality and accuracy of annual budget build process
- Regularity and quality of budget monitoring, at a school and Trust level
- Progress against capital plans

Procurement- compliance with purchasing and tendering processes / requirements

Finance policies - review and application

Delegation of authority and the segregation of duties – in line with school finance manual

Summer 2018 Financial administration

- Ordering
- Purchase Invoices
- Banking
- Petty Cash
- Management Accounts
- Accounts Receivable

Identification and management of financial risks

- Reputational risks – e.g. remuneration to key staff
- Performance related pay
- Financial risk register
- Provision of, and adherence to, the school finance manual / financial procedures

Health and safety compliance arrangements

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The internal auditor reports to the Finance & Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trustees confirm the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of their work.

Review of effectiveness

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process [if relevant];
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 11 December 2018 and signed on its behalf by:

T Beck
Chair

N Osborne
Accounting Officer

MARITIME ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

N Osborne
Accounting Officer

11 December 2018

MARITIME ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:

T Beck
Chair

MARITIME ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

MARITIME ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

MARITIME ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

**Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services**

17 December 2018

Statutory Auditor

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

MARITIME ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 25 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Maritime Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Maritime Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Maritime Academy Trust's funding agreement with the Secretary of State for Education dated 23 August 2016 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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.

MARITIME ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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

Reporting Accountant

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 17 December 2018

MARITIME ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General	Fixed asset £'000	Total 2018 £'000	Total 2017 as restated £'000
Income and endowments from:						
Donations and capital grants	3	156	16	54	226	225
Donations - transfer from local authority on conversion	24	1,083	(2,206)	25,031	23,908	37,745
Charitable activities:						
- Funding for educational operations	4	-	11,754	-	11,754	6,148
Other trading activities	5	572	-	-	572	193
Investments	6	1	-	-	1	-
Total		<u>1,812</u>	<u>9,564</u>	<u>25,085</u>	<u>36,461</u>	<u>44,311</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	184	13,528	435	14,147	7,125
Total	7	<u>184</u>	<u>13,528</u>	<u>435</u>	<u>14,147</u>	<u>7,125</u>
Net income/(expenditure)		1,628	(3,964)	24,650	22,314	37,186
Transfers between funds	17	(739)	648	91	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	923	-	923	197
Net movement in funds		889	(2,393)	24,741	23,237	37,383
Reconciliation of funds						
Total funds brought forward		927	(2,409)	38,865	37,383	-
Total funds carried forward		<u>1,816</u>	<u>(4,802)</u>	<u>63,606</u>	<u>60,620</u>	<u>37,383</u>

MARITIME ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative information ended 31 August 2017 As restated	Notes	Unrestricted	Restricted funds:		Total
		Funds £'000	General £'000	Fixed asset £'000	2017 £'000
Income and endowments from:					
Donations and capital grants	3	201	-	24	225
Donations - transfer from local authority on conversion	24	1,093	(2,385)	39,037	37,745
Charitable activities:					
- Funding for educational operations	4	-	6,148	-	6,148
Other trading activities	5	193	-	-	193
Total		<u>1,487</u>	<u>3,763</u>	<u>39,061</u>	<u>44,311</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	93	6,820	212	7,125
Total	7	<u>93</u>	<u>6,820</u>	<u>212</u>	<u>7,125</u>
Net income/(expenditure)		1,394	(3,057)	38,849	37,186
Transfers between funds	17	(467)	451	16	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	197	-	197
Net movement in funds		927	(2,409)	38,865	37,383
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>927</u>	<u>(2,409)</u>	<u>38,865</u>	<u>37,383</u>

MARITIME ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017 as restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		63,606		38,865
Current assets					
Debtors	14	1,402		759	
Cash at bank and in hand		1,323		682	
		<u>2,725</u>		<u>1,441</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(938)		(275)	
Net current assets			<u>1,787</u>		<u>1,166</u>
Net assets excluding pension liability			<u>65,393</u>		<u>40,031</u>
Defined benefit pension scheme liability	19		(4,773)		(2,648)
Net assets			<u>60,620</u>		<u>37,383</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			63,606		38,865
- Restricted income funds			(29)		239
- Pension reserve			(4,773)		(2,648)
Total restricted funds			<u>58,804</u>		<u>36,456</u>
Unrestricted income funds	17		<u>1,816</u>		<u>927</u>
Total funds			<u>60,620</u>		<u>37,383</u>

The financial statements on pages 24 to 49 were approved by the Trustees and authorised for issue on 11 December 2018 and are signed on their behalf by:

T Beck
Chair

Company Number 10264735

MARITIME ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017 as restated	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	20		(352)		(395)
Cash funds transferred on conversion			1,083		1,093
			<u>731</u>		<u>698</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1		-	
Capital grants from DfE Group		54		24	
Purchase of tangible fixed assets		(145)		(40)	
		<u></u>	<u>(90)</u>	<u></u>	<u>(16)</u>
Net cash used in investing activities					
			<u>641</u>		<u>682</u>
Net increase in cash and cash equivalents in the reporting period					
Cash and cash equivalents at beginning of the year			682		-
			<u>1,323</u>		<u>682</u>
Cash and cash equivalents at end of the year					
			<u><u>1,323</u></u>		<u><u>682</u></u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

Maritime Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion Featherby Infant School, Featherby Junior School, Nightingale Primary School and Greenacres Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

1.4 Income

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

Grants

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

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more except for attractive portable items that are £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The land and buildings at Timbercroft School, Brooklands School and Millennium School have been included at the valuation provided by the ESFA when completing their desktop valuation. Greenacres School and Nightingale School's land and buildings have been included at a desktop valuation carried out by the Royal Borough of Greenwich. Featherby Infant and Featherby Junior School's land and buildings have been valued by the directors based on average value per square metre of other schools in the local area.

All schools have a 125 year lease from conversion on the land and buildings with their local authorities.

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:

Land and buildings	50 years (land is not depreciated)
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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

1.7 Liabilities

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

1.8 Leasing commitments

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

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the 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 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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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 14 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

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.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	54	54	24
Other donations	156	16	172	201
	<u>156</u>	<u>70</u>	<u>226</u>	<u>225</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	9,273	9,273	4,835
Start up grants	-	-	-	100
Other DfE group grants	-	1,000	1,000	731
	<u>-</u>	<u>10,273</u>	<u>10,273</u>	<u>5,666</u>
Other government grants				
Local authority grants	-	1,481	1,481	482
	<u>-</u>	<u>1,481</u>	<u>1,481</u>	<u>482</u>
Total funding	<u>-</u>	<u>11,754</u>	<u>11,754</u>	<u>6,148</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	18	-	18	10
Catering income	155	-	155	92
Other income	399	-	399	91
	<u>572</u>	<u>-</u>	<u>572</u>	<u>193</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	9,782	397	552	10,731	4,672
- Allocated support costs	1,018	1,145	1,253	3,416	2,453
	<u>10,800</u>	<u>1,542</u>	<u>1,805</u>	<u>14,147</u>	<u>7,125</u>

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	20	15
- Other services	7	-
Depreciation of tangible fixed assets	435	212
Net interest on defined benefit pension liability	115	51
	<u>577</u>	<u>378</u>

8 Central services

The academy trust has provided the following central services to its academies during the period:

- Strategic Leadership
- School Improvement
- HR advice, support & compliance
- Budget planning, monitoring and returns
- Estates & health & safety compliance
- Governance
- ICT support
- Partnership working
- Website support

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

- 4.75% of grant income

The amounts charged during the year were as follows:

	2018 £'000	2017 £'000
Featherby Infant School	63	-
Featherby Junior School	66	-
Greenacres Primary School	85	-
Nightingale Primary School	55	-
Brooklands Primary School	60	55
Millennium Primary School	121	115
Timbercroft Primary School	105	107
	<u>555</u>	<u>277</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	-	10,731	10,731	4,672
Support costs				
Educational operations	184	3,232	3,416	2,453
	<u>184</u>	<u>13,963</u>	<u>14,147</u>	<u>7,125</u>
			2018	2017
			£'000	£'000
Analysis of support costs				
Support staff costs			1,018	1,241
Depreciation			38	6
Technology costs			104	60
Premises costs			1,107	424
Other support costs			1,112	600
Governance costs			37	122
			<u>3,416</u>	<u>2,453</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	7,696	3,601
Social security costs	702	323
Pension costs	1,935	962
Staff costs	<u>10,333</u>	<u>4,886</u>
Agency staff costs	270	143
Staff restructuring costs	102	-
Staff development and other staff costs	95	47
Total staff expenditure	<u>10,800</u>	<u>5,076</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>102</u>	<u>-</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £102k (2017: £nil). Individually, the payments were: £37k, £1k, £11k, £44k and £9k.

Staff numbers

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

	2018 Number	2017 Number
Teachers	110	53
Administration and support	235	90
Management	11	8
	<u>356</u>	<u>151</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	5	1
£70,001 - £80,000	7	2
£80,001 - £90,000	2	-
£90,001 - £100,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>17</u>	<u>4</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £436k (2017: £560k).

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

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

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

N Osborne (CEO)

- Remuneration: £125,000- £130,000 (2017: £115,000- £120,000)
- Employers pension contributions £20,000 - £25,000 (2017:£15,000- £20,000)

T Miller (Director)

- Remuneration: £60,000 - £65,000 (2017: £55,000-£60,000)
- Employers pension contributions £5,000 - £10,000 (2017:£5,000- £10,000)

During the year, £619 (2017: £154) was reimbursed or paid directly to one (2017: one) trustee for travel and attendance at a conference. This is covered by a grant received by the DfE - National Leadership of Governance.

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

12 Trustees and officers insurance

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

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2017	39,037	16	24	39,077
Transfer on conversion	25,031	-	-	25,031
Additions	-	17	128	145
	_____	_____	_____	_____
At 31 August 2018	64,068	33	152	64,253
	_____	_____	_____	_____
Depreciation				
At 1 September 2017	206	1	5	212
Charge for the year	397	10	28	435
	_____	_____	_____	_____
At 31 August 2018	603	11	33	647
	_____	_____	_____	_____
Net book value				
At 31 August 2018	63,465	22	119	63,606
	=====	=====	=====	=====
At 31 August 2017	38,831	15	19	38,865
	=====	=====	=====	=====

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets (Continued)

Included in land and buildings is land of £43,308k (2017 restated: £28.758k) which is not depreciated.

14 Debtors	2018 £'000	2017 £'000
VAT recoverable	500	249
Other debtors	764	428
Prepayments and accrued income	138	82
	<u>1,402</u>	<u>759</u>

15 Creditors: amounts falling due within one year	2018 £'000	2017 £'000
Trade creditors	25	153
Other taxation and social security	172	-
Other creditors	198	11
Accruals and deferred income	543	111
	<u>938</u>	<u>275</u>

16 Deferred income	2018 £'000	2017 £'000
Deferred income is included within:		
Creditors due within one year	163	88
	<u>163</u>	<u>88</u>
Deferred income at 1 September 2017	88	-
Released from previous years	(88)	-
Resources deferred in the year	163	88
	<u>163</u>	<u>88</u>
Deferred income at 31 August 2018	<u>163</u>	<u>88</u>

The deferred income relates to Universal Infant Free School Meals for 18/19.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	100	9,273	(10,021)	648	-
Other DfE / ESFA grants	139	1,000	(1,168)	-	(29)
Other government grants	-	1,481	(1,481)	-	-
Other restricted funds	-	16	(16)	-	-
Pension reserve	(2,648)	(2,206)	(842)	923	(4,773)
	<u>(2,409)</u>	<u>9,564</u>	<u>(13,528)</u>	<u>1,571</u>	<u>(4,802)</u>
Restricted fixed asset funds					
Transfer on conversion	-	25,031	-	(25,031)	-
DfE group capital grants	-	54	-	(54)	-
General fixed assets	38,865	-	(435)	25,176	63,606
	<u>38,865</u>	<u>25,085</u>	<u>(435)</u>	<u>91</u>	<u>63,606</u>
Total restricted funds	<u>36,456</u>	<u>34,649</u>	<u>(13,963)</u>	<u>1,662</u>	<u>58,804</u>
Unrestricted funds					
General funds	927	1,812	(184)	(739)	1,816
Total funds	<u>37,383</u>	<u>36,461</u>	<u>(14,147)</u>	<u>923</u>	<u>60,620</u>

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 2018.

Other DFE/ESFA grants: This includes the pupil premium, universal infant free school meals, PE grant, rates relief and Growth income. The negative fund relates to expenditure on MDIF grant that is not due to be received until after the year end.

Other government grants: This includes SEN funding and early years.

DFE/EFSA capital grants: This includes the devolved formula capital funding.

The transfer between funds is to cover the cost of excess of expenditure over grants received and the purchase of fixed assets, and the expenditure in relation to the ESFA capital grant.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

	Balance at 6 July 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	4,835	(5,186)	451	100
Start up grants	-	100	(100)	-	-
Other DfE / ESFA grants	-	731	(592)	-	139
Other government grants	-	482	(482)	-	-
Pension reserve	-	(2,385)	(460)	197	(2,648)
	-	3,763	(6,820)	648	(2,409)
Restricted fixed asset funds					
Transfer on conversion	-	39,037	-	-	39,037
DfE group capital grants	-	24	(206)	(24)	(206)
General fixed assets	-	-	(6)	40	34
	-	39,061	(212)	16	38,865
Total restricted funds	-	42,824	(7,032)	664	36,456
Unrestricted funds					
General funds	-	1,487	(93)	(467)	927
Total funds	-	44,311	(7,125)	197	37,383

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

	Balance at 6 July 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	14,108	(15,207)	1,099	-
Start up grants	-	100	(100)	-	-
Other DfE / ESFA grants	-	1,731	(1,760)	-	(29)
Other government grants	-	1,963	(1,963)	-	-
Other restricted funds	-	16	(16)	-	-
Pension reserve	-	(4,591)	(1,302)	1,120	(4,773)
	-	13,327	(20,348)	2,219	(4,802)
Restricted fixed asset funds					
Transfer on conversion	-	64,068	-	(25,031)	39,037
DfE group capital grants	-	78	(206)	(78)	(206)
General fixed assets	-	-	(441)	25,216	24,775
	-	64,146	(647)	107	63,606
Total restricted funds	-	77,473	(20,995)	2,326	58,804
Unrestricted funds					
General funds	-	3,299	(277)	(1,206)	1,816
Total funds	-	80,772	(21,272)	1,120	60,620

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
Featherby Infant School	1	-
Featherby Junior School	1	-
Greenacres Primary School	1	-
Nightingale Primary School	1	-
Brooklands Primary School	1	1
Millennium Primary School	1	1
Timbercroft Primary School	1	1
Maritime Academy Trust	1,780	1,163
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,787	1,166
Restricted fixed asset fund	63,606	38,865
Pension reserve	(4,773)	(2,648)
	<hr/>	<hr/>
Total funds	60,620	37,383
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Featherby Infant School	1,049	-	21	203	1,273
Featherby Junior School	1,198	-	24	186	1,408
Greenacres Primary School	1,701	-	45	347	2,093
Nightingale Primary School	794	94	36	296	1,220
Brooklands Primary School	897	17	11	383	1,308
Millennium Primary School	1,840	121	68	519	2,548
Timbercroft Primary School	1,708	-	93	357	2,158
Maritime Academy Trust	500	786	-	418	1,704
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,687	1,018	298	2,709	13,712
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	63,606	63,606
Current assets	1,841	884	-	2,725
Creditors falling due within one year	(25)	(913)	-	(938)
Defined benefit pension liability	-	(4,773)	-	(4,773)
Total net assets	1,816	(4,802)	63,606	60,620

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	38,865	38,865
Current assets	927	514	-	1,441
Creditors falling due within one year	-	(275)	-	(275)
Defined benefit pension liability	-	(2,648)	-	(2,648)
Total net assets	927	(2,409)	38,865	37,383

19 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the 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 2016.

Contributions amounting to £152k (2017: £nil) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £666k (2017: £346k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24% for employers and 5.5% to 12.5% for employees.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 24) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations	(Continued)	
Total contributions made	2018	2017
	£'000	£'000
Employer's contributions	581	188
Employees' contributions	177	73
	<u>758</u>	<u>261</u>
	<u><u>758</u></u>	<u><u>261</u></u>
Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	3.8	4.2
Rate of increase for pensions in payment/inflation	2.3	2.7
Discount rate for scheme liabilities	2.7	2.6
Inflation assumption (CPI)	2.3	2.7
	<u>2.3</u>	<u>2.7</u>
	<u><u>2.3</u></u>	<u><u>2.7</u></u>
<p>The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:</p>		
	2018	2017
	Years	Years
Retiring today		
- Males	22.7	22.6
- Females	24.8	24.8
Retiring in 20 years		
- Males	24.9	24.7
- Females	27.1	27.0
	<u>27.1</u>	<u>27.0</u>
	<u><u>27.1</u></u>	<u><u>27.0</u></u>
<p>Scheme liabilities would have been affected by changes in assumptions as follows:</p>		
	2018	2017
	£'000	£'000
Discount rate + 0.1%	-55	(110)
Discount rate - 0.1%	57	113
Mortality assumption + 1 year	75	129
Mortality assumption - 1 year	-72	(125)
Salary rate + 0.1%	6	17
Salary rate - 0.1%	-6	(17)
Pension rate + 0.1%	51	88
Pension rate - 0.1%	-49	(94)
	<u>-49</u>	<u>(94)</u>
	<u><u>-49</u></u>	<u><u>(94)</u></u>
Defined benefit pension scheme net liability		
Scheme assets	4,242	1,408
Scheme obligations	(9,015)	(4,056)
	<u>(4,773)</u>	<u>(2,648)</u>
Net liability	<u><u>(4,773)</u></u>	<u><u>(2,648)</u></u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	1,137	134
Bonds	626	256
Unitised Insurance Policies	1,089	628
UK & Overseas Unit Trusts	761	237
Property	461	139
Other assets	168	14
Total market value of assets	4,242	1,408

The actual return on scheme assets was £116,000 (2017: £108,000).

Amount recognised in the Statement of Financial Activities

	2018 £'000	2017 £'000
Current service cost	1,306	597
Interest income	(94)	(25)
Interest cost	209	76
Administration expenses	2	-
Total operating charge	1,423	648

Changes in the present value of defined benefit obligations

	2018 £'000	2017 £'000
At 1 September 2017	4,056	-
Obligations acquired on conversion	4,251	3,424
Current service cost	1,306	597
Interest cost	209	76
Employee contributions	177	73
Actuarial gain	(901)	(114)
Benefits paid	(85)	-
Effect of non-routine settlements and administration expenses	2	-
At 31 August 2018	9,015	4,056

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 £'000	2017 £'000
At 1 September 2017	1,408	-
Assets acquired on conversion	2,045	1,039
Interest income	94	25
Actuarial gain	22	83
Employer contributions	581	188
Employee contributions	177	73
Benefits paid	(85)	-
	<u>4,242</u>	<u>1,408</u>
At 31 August 2018	<u>4,242</u>	<u>1,408</u>

20 Reconciliation of net income to net cash flows from operating activities

	2018 £'000	2017 £'000
Net income for the reporting period	22,314	37,186
Adjusted for:		
Net surplus on conversion to academy	(23,908)	(37,745)
Capital grants from DfE/ESFA and other capital income	(54)	(24)
Investment income receivable	(1)	-
Defined benefit pension costs less contributions payable	727	409
Defined benefit pension net finance cost	115	51
Depreciation of tangible fixed assets	435	212
(Increase) in debtors	(643)	(759)
Increase in creditors	663	275
	<u>(352)</u>	<u>(395)</u>
Net cash used in operating activities	<u>(352)</u>	<u>(395)</u>

21 Commitments under operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	5	4
Amounts due in two and five years	8	12
	<u>13</u>	<u>16</u>
	<u>13</u>	<u>16</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Mr Osborne's wife is employed by the Trust as a teacher.

23 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.

24 Conversion to an academy

On the dates listed below, the listed schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Maritime Academy Trust from the Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion	
Featherby Infant School	Gillingham	1 September 2017	
Featherby Junior School	Gillingham	1 September 2017	
Greenacres Primary School	Eltham	1 November 2017	
Nightingale Primary School	Woolwich	1 November 2017	
			2018
Net assets transferred:			£'000
Freehold land and buildings			25,031
Cash			1,083
LGPS pension surplus/(deficit)			(2,206)
			<hr/>
			23,908
			<hr/> <hr/>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

24 Conversion to an academy (Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	25,031	25,031
LA budget funds	1,083	-	-	1,083
LGPS pension funds	-	(2,206)	-	(2,206)
	<u>1,083</u>	<u>(2,206)</u>	<u>25,031</u>	<u>23,908</u>

25 Prior period adjustment

	1 September 2016 £'000	31 August 2017 £'000
Reconciliation of funds		
Funds as previously reported	-	(1,448)
Adjustments arising:		
Increase in tangible fixed assets	-	38,831
Funds as restated	<u>-</u>	<u>37,383</u>
Reconciliation of net income for the previous financial period		2017
		£'000
Net expenditure as previously reported		(1,645)
Adjustments arising:		
Increase in transfers on conversion		39,037
Depreciation charge		(206)
Net income as restated		<u>37,186</u>

Notes to restatement

In the previous period no evidence was available to the academy to the value of the land and buildings transferred on conversion and consequently no value was attributed to those assets in the financial statements.

During the year ended 31 August 2018 the academy received a desk top valuation from the ESFA for £39m and the property and associated depreciation has been included in these financial statements by way of a prior period adjustment.