

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 2019

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 (Resigned 10 May 2019)
D Cockcroft (Appointed 16 October 2018)

Central Trust

N Osborne	- CEO
T Miller	- Finance Director
D Cusack	- HR 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 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

For this period, the Trust operated seven academies for children aged 3 -11 (together the Academies and each an Academy). The Academies are in the geographic 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 2019 school census.

Please see below for pupil capacity:

Brooklands Primary School:

Capacity of Academy: 262 (210 + 52 x 15 hour places in the nursery)

Number on Roll: 196

Number on roll of on-site Nursery: 25 x 15 hour places & 6 x 30 hour places

Featherby Infants & Nursery School

Capacity of Academy: 322 (270 + 52 x 15 hour places in the nursery)

Number on Roll 229

Number on roll of onsite Nursery: 37 x 15 hour entitlement + 9 x 30 hour entitlement

Featherby Junior School

Capacity of Academy: 360

Number on Roll 333

Greenacres Primary School

Capacity of Academy: 314 (210 +104 x 15 hour places in the nursery)

Number on Roll: 231

Number on roll of onsite Nursery: 30 x 15 hour places & 12 x 30 hour places

Millennium Primary School

Capacity of Academy: 472 (420 + 52 x 15 hour places in the nursery)

Number on Roll: 406

Number on roll of on-site Nursery: 38 x15 hours places & 7 x 30 hour places

Nightingale Primary School

Capacity of Academy: 262 (210 + 52 x 15 hour places in the nursery)

Number on Roll: 200

Number on roll of onsite Nursery: 17 x 15 hour places & 9 x 30 hour places

Timbercroft Primary School

Capacity of Academy: 472 (420 + 52 x 15 hour places in the nursery)

Number on Roll: 366

Number on roll of onsite Nursery: 24 x 15 hour places & 6 x 30 hour places

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 2019

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 Trust comprise the signatories to the Memorandum and any person elected by the current Members (by a special resolution). At any time the minimum number of Members shall not be less than three. An employee of the Trust cannot be a Member of the Trust. A list of Members is included in the Reference and Administrative Details on Page 1.

The number of Trustees cannot be less than three, but is not subject to any maximum. The Trust shall have up to four Trustees appointed by the Members (by ordinary resolution) (MA Trustees). The current MA Trustees are T Beck, T Gilliford, A Korin, M Myers Lusty.

The Trust can also have Co-opted Trustees (C Trustees). A C Trustee means a person who is appointed to be a C Trustee by MA Trustees. The MA Trustees may not co-opt an employee of the Trust as a C Trustee if the number of Trustees who are Trust employees would exceed one third of the total number of Trustees (including the Chief Executive Officer (the CEO)). The CEO, N Osborne, is a Trustee. The only Co-opted Trustee at the end of 31 August 2019 was D Cockcroft.

The term of office for any Trustee is four years. This time limit shall not apply to any post which is held ex officio. Subject to remaining eligible, 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 Trust Board held (i) 6 Full Trust Board meetings, (ii) 6 Standards & Achievement Committee Meetings, (iii) 6 Finance & Audit Committee Meetings, (iv) 1 AGM and (v) various strategy meetings.

The training and induction provided for new Trustees depends on their existing experience. All new Trustees 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 meet with the Finance Director to understand how education funding and finance works, and have the opportunity to meet with other key central staff including the HR Director, Operations Director, Estates & Compliance Manager and Educational Partnerships Lead (the EPL). There is an open offer to tour the Academies, meet with Executive Heads/Headteachers and children, and attend Big Outcomes. There is an annual tour of the Academies 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, heavily supported by the entire Trust Board and Central Trust Team (the Central Team - identified in the Reference and Administrative Details on Page 1).

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Trust structure consists of 4 levels:

- the Trust Board, led by the Chair of Trustees;
- the Central Team, led by the CEO;
- local governing bodies in each Academy (LGBs); and
- school leadership teams in each Academy (SLT).

The aim of the structure is to devolve responsibility to reflect local communities and encourage involvement in decision making at all levels.

Trustees are responsible for (i) setting Trust policy, (ii) adopting a 3-year strategic plan, (iii) budget monitoring for the Trust itself and all Academies through budget reports, (iv) making strategic decisions about the direction of Trust, (v) capital expenditure and (iv) senior appointments. In each case, in line with Trust vision, ethos, and culture.

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

Arrangements for setting pay and remuneration of key management personnel

Performance management and setting of the pay and remuneration of the Chief Executive is devolved from the Trust Board to two separate committees. The CEO Performance Review committee consists of the Chair of Trustees, a second Trustee, and an independent external adviser. The CEO Pay Review Committee consists of the Vice Chair of Trustees and two additional Trustees, none of whom are on the Performance Committee, and is informed by the outcome of the performance review.

The performance management and pay and remuneration of the Central Team (other than the CEO) is set by the CEO and is aligned with Greenwich local authority and pay and conditions.

Executive Head/Headteacher pay in all Trust Academies 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 Executive Heads/Headteachers, with input from the relevant LGBs.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The objectives of the Trust are *"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"*, Article 4, Articles of Association

Our mission is to empower our Academies 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 Academy 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 Academy – 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

How do we do it?

- Collaborate - Within each Academy, across all Academies and in other schools or academies we work with.
- Innovate - Take shared ideas and approaches and find new ways to make them work in classrooms for pupils.
- 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 Academies?

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.

The Trust's 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. While we can't possibly imagine what children's 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 Trust's Maritime Curriculum is based around 6Cs (Collaboration, Character, Creativity, Critical Thinking, Citizenship and Communication), with key attributes within each of those. We recognise that our approach to the curriculum needs to be accessible for current and prospective staff. We also want to measure what we value. Over the course of 2018/19, we developed the Maritime FROG (For Reaching Our Goals) Curriculum Document and a new way of measuring the 6Cs. Our curriculum is heavily underpinned by education research and the expertise of our talented staff. While we have a Maritime Curriculum approach for all Academies, how they deliver that and what that looks like is up to them. Within a framework of high expectations, there is consistency of impact without conformity in approach.

The Maritime 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 were very proud in 2018/19 to have our first Trust Big Outcome - the "Maritime Expo", in which children across the Academies developed solutions to save the planet. Each Academy hosted its own Academy Expo for all of their children and parents. Subsequently all projects were presented at the Maritime Expo. We are proud of the Maritime Curriculum as the entrepreneurial projects, when delivered properly, are designed not to be an add on, but a key vehicle in driving school improvement.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust's culture and behaviours

Being part of our Trust means something different than being a member of any other academy trust or school group, whether because of our vision, our curriculum, our culture or our unique school improvement model. Crucially our focus on culture permeates through all levels of the Trust (Trust Board, the Central Team, LGB, SLT and Academy level). We are all working towards the same vision. How we treat each other in the process matters. It is key to wellbeing and we all need to be on the same page for our model to be successful. It is about knowing our vision, our purpose, and what behaviours/mindset it takes to get us all there. It is the lens we use to approach opportunities, challenges and the everyday.

The Maritime Behaviours, developed by all staff and Trustees are (i) Supportiveness & Trust, (ii) Collaboration, (iii) Adaptability, (iv) Creativity & Innovation, (v) Humility and (vi) Humour & Positivity. We have defined what we mean by these, we discuss them and look at how these feed into success. They form part of the 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 the Trust also means that our Academies 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 Academies and better supporting our staff. That is how we empower our Academies to succeed.

Our focus on culture and behaviours was transformative over the course of 2018/19. It enabled us to be clear about expectations for both how we work and how we treat each other. It made it clear who was on the right bus, heading in the same direction. It also enabled us to have difficult conversations and make difficult decisions within a clear framework.

Culture and behaviours enabled the Trust to clearly state and demonstrate who we are as an organisation. Over the course of 2018/19, Hook Lane Primary School undertook a process of due diligence to decide whether to join us. They were aligned with our vision and values, curriculum, our planned approach to effective local governance, and the support and services we would be able to provide. What really spoke to them however, was our culture. Not only did it speak to them on paper, it was what they found when they met with all levels of staff from across our Academies. People spoke in that language, and they lived up to it. Having a school choose to join us for those reasons was an incredible endorsement of how far we've come and how effective the hard work has been. The Trustees are incredibly proud of that. The Trust welcomed Hook Lane Primary School into the Trust in September 2019, outside the range of this report.

Objectives, strategies and activities

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 2019

Strategic report

Achievements and performance

This year, there have been a number of key improvements and milestones across the Trust. Highlights include:

- the dramatic improvement of Featherby Junior School;
- Timbercroft retaining its flagship status for Inclusion with the Inclusion Quality Mark;
- Trust internal data indicates that Key Stage 2 results are set to rise in the next academic year;
- new CPD and leadership development opportunities for staff across the Trust;
- strengthening of collaboration and the sharing of excellent practice across the Trust;
- Hook Lane Primary School agreeing to join the Trust from September 2019; and
- the successful bid for creating the new Ebbsfleet Green Primary School.

Ofsted ratings for the Trust's Academies are:

Brooklands Primary School - Outstanding

Featherby Infants School - Good

Featherby Juniors School - Inadequate (Sponsor School)

Greenacres Primary School - Good

Millennium Primary School - Outstanding

Nightingale Primary School - Good

Timbercroft Primary School - Good

Brooklands Primary School (Brooklands)

Percentage of Pupils Achieving a Good Level of Development

Brooklands 90 National 72

Pupils achieving the expected standard in Phonics

Brooklands 85 National 82

Key Stage 1 Performance

	Reading	Writing	Maths
Expected Level	87	81	90
National Average	75	69	76
Greater Depth	32	23	26
National Average	25	15	22

Key Stage 2 Performance

	Reading	Writing	Maths
Expected Level	75	79	61
National Average	73	78	79
Greater Depth	43	18	43
National Average	27	20	27

Highlights

The three year average for reading attainment is significantly above the national average.

Early Years Foundation Stage (EYFS) and Key Stage 1 results are above national average levels.

Strong progress in the attainment of children achieving greater depth level.

Area of Development

Key Stage 2 Attainment and Progress. Internal Data and the work that is going on in the Academy shows that this will improve significantly in 2019/20.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Featherby Infants (Featherby I)

Percentage of Pupils Achieving a Good Level of Development

Featherby I 75 National 72

Pupils achieving the expected standard in Phonics

Featherby I 81 National 82

Key Stage One Performance

	Reading	Writing	Maths
Expected Level	75	73	75
National Average	75	69	76
Greater Depth	10	2	9
National Average	25	15	22

Highlights

Featherby I has improved drastically over the past year, with teaching and learning much stronger.

Parental feedback shows that this is the overwhelming view of the local community.

Children attaining in line with national despite starting Nursery & Reception below the national average.

Areas for Development

For the improved teaching and learning to increase the amount of children attaining greater depth at the end of Key Stage 1.

Featherby Juniors (Featherby J)

Key Stage 2 Performance

	Reading	Writing	Maths
Expected Level	72	77	74
National Average	73	78	79
Greater Depth	19	22	20
National Average	27	20	27

Highlights

Dramatically improved teaching and learning in Featherby J.

Attainment in individual subjects now in line with national average levels.

Progress in line with national average levels.

Areas of Development

Increased numbers of children attaining greater depth level.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Greenacres Primary School (Greenacres)*

Percentage of Pupils Achieving a Good Level of Development

Greenacres 75 National 72

Pupils achieving the expected standard in Phonics

Greenacres 74 National 82

Key Stage One Performance

	Reading	Writing	Maths
Expected Level	65	65	65
National Average	75	69	76
Greater Depth	22	22	27
National Average	25	15	22

*Greenacres has a provision for Language Impairment. This provision has a high proportion of children in the EYFS and Key Stage 1. Children get a place in this provision because of their high needs and because they will be working way below the expected standard for their age. This has a dramatic impact on EYFS and Key Stage 1 data.

Key Stage 2 Performance

	Reading	Writing	Maths
Expected Level	87	87	84
National Average	73	78	79
Greater Depth	23	23	10
National Average	27	20	27

Highlights

Attainment at the end of Key Stage 2 is well above national average levels and progress is also significantly above national average levels.

Outstanding support for children with high needs in the provision.

Improved results and progress in 2018/19.

Pupil Premium children outperforming national average levels.

Area of development

Increase the percentage of children attaining greater depth at the end of Key Stage 2.

Millennium Primary School (Millennium)

Percentage of Pupils Achieving a Good Level of Development

Millennium 81 National 72

Pupils achieving the expected standard in Phonics

Millennium 90 National 82

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage One Performance

	Reading	Writing	Maths
Expected Level	81	78	83
National Average	75	69	76
Greater Depth	26	19	76
National Average	25	15	22

Key Stage 2 Performance*

	Reading	Writing	Maths
Expected Level	76	75	80
National Average	73	78	79
Greater Depth	20	10	24
National Average	27	20	27

*At the point that the accounts were written, Millennium was still waiting for a number of children to be removed from the data as they were new to the country. Millennium also has a specialist provision for children with Autism.

Highlights

Children are performing highly in the EYFS.
Attainment in Key Stage 1 is strong.

Areas of development

Millennium has very high mobility rates so a high number of children who join Millennium in years 5 and 6. Millennium needs to focus on how to accelerate the progress of these children.
Increase the percentage of children attaining greater depth levels.

Nightingale Primary School (Nightingale)*

Percentage of Pupils Achieving a Good Level of Development

Nightingale 62 National 72

Pupils achieving the expected standard in Phonics

Nightingale 76 National 82

*Nightingale is in the highest quintile for deprivation and children who have English as an Additional Language. These factors have an impact on attainment in EYFS & Key Stage 1. Nightingale does a great job for these children and by the time they are leaving Key Stage 2 they are often making above average progress.

Key Stage One Performance

	Reading	Writing	Maths
Expected Level	59	81	93
National Average	75	69	76
Greater Depth	4	11	26
National Average	25	15	22

Key Stage 2 Performance

	Reading	Writing	Maths
Expected Level	69	73	85
National Average	73	78	79
Greater Depth	15	12	23
National Average	27	20	27

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Highlights

Attainment in Key Stage 2 Maths is above national average levels despite children starting from very low starting points.

Progress in Writing is above the national average levels.

Progress in Maths is well above the national average levels.

Areas of development

Attainment in reading. Looking to have a quicker impact on Phonics in EYFS & Key Stage 1.

Timbercroft Primary School (Timbercroft)

Percentage of Pupils Achieving a Good Level of Development

Timbercroft 73 National 72

Pupils achieving the expected standard in Phonics

Timbercroft 88 National 82

Key Stage One Performance

	Reading	Writing	Maths
Expected Level	73	88	83
National Average	75	69	76
Greater Depth	20	14	20
National Average	25	15	22

Key Stage 2 Performance

	Reading	Writing	Maths
Expected Level	78	78	75
National Average	73	78	79
Greater Depth	20	20	14
National Average	27	20	27

Highlights

Attainment in phonics is above national average levels.

Timbercroft was awarded Flagship Status for its inclusion work.

The 3 year average for reading and maths is in the top 20% for attainment.

Areas of development

Increase the percentage of children attaining greater depth by the end of Key Stage 2.

Key performance indicators

- Ensure that standards across the Trust remain above the national figure for both attainment and progress.
- Disadvantaged children's attainment and progress is in line with the progress of non-disadvantaged children nationally.
- Ensure that standards across the Trust remain high and Academies are challenging themselves by working in partnership across the Trust. The Trust's EPL manages a programme of internal/external support and challenge to facilitate this standard.
- The Ofsted Inspection Framework.
- Pupil attendance across the Trust to be in line with the national average.

In order to make a judgement on KPIs the Trust looks at:

- achievement of pupils;
- quality of teaching within the Academies;
- behaviour and safety of pupils in the Academies;
- quality of leadership and management of the Academies.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust monitors the quality of provision with regular teaching and learning reviews led by leaders from across the Trust. This enables the provision of effective and timely support to our Academies. This process is led by the EPL and is supported by Executive Heads/Headteachers across the Trust. The Trust also use external leaders to help validate the judgements.

The Trust judges all non-sponsored Academies within the Trust to be at least good, with two of the schools outstanding.

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.

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 2019, total expenditure of £15,542k (2018: £14,147k) 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 £1,307k (2018: £2,336k).

At 31 August 2019 the net book value of fixed assets was £63,231k (2018: £63,606k). 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 £7,297k (2018: £4,773k) as at 31 August 2019.

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 £1m.

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 £1,836k (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: remainder of unallocated reserves;
- school led innovation projects: £200,000;
- investments (to inflation proof reserves, although these can still be accessed in an emergency): £500,000.

The reserves policy will be reviewed in 2019/20 to take into account the 2018/19 reserves level and financial risks identified as part of the Trust's 3-year budget strategy.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust held fund balances at 31 August 2019 at £57,992k (2018: £60,620k) comprising £56,156k (2018: £58,804k) of restricted funds and £1,836k (2018: £1,816k) of unrestricted general funds. Of the restricted funds, £63,231k (2018: £63,606k) is represented by tangible fixed assets, £172k is remaining capital grant income to spend and £50k of unspent revenue grants (2018: £(29)k of revenue grant spent where the income was yet to be received). The Pension reserve which is considered part of restricted funds was £7,297k (2018: £4,773k) in deficit.

Investment policy

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.

Principal risks and uncertainties

The principal risks for the Trust are:

- Reduction in pupil numbers, resulting in reduced income for our Academies. This is medium risk as we have one inadequate school that we have sponsored. While its reputation is dramatically improving there is a lag in pupil numbers. The Trust is also opening a new Academy (as part of a new garden city) and is vulnerable if the new housing in the area isn't sold.
- Failure to achieve the highest possible standards for pupils in our Academies. This is low risk as nearly all of our Academies are set to achieve higher results in 2019/20. There is rigorous support for our Academies that have not performed as we would have liked.
- An Academy does not maintain their Ofsted Grade. This is a real possibility for our Outstanding schools under the new framework. It is unlikely in the current framework, and with what is happening nationally, that our Outstanding schools will retain their grades. This may have an impact on pupil numbers. All other Academies should keep their grades or improve.
- Teacher retention and recruitment across the Trust. This is high risk, as some of our Academies are located in areas of very high house pricing and low numbers of teachers qualifying. This is being offset by improved terms and conditions than (competitor) local schools and a great deal of investment into our staff.
- Loss of key members of staff. We are mitigating this risk by working collaboratively, succession planning and ensuring that locally we are known as a good employer.
- Insufficient grant funding to cover costs.
- A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £7,297k (2018: £4,773k).

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

Risk management

The Trustees have assessed the major risks to which the 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 Academy faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors to maintain strict safeguarding protocols and manage risk). Any prospective school joining the Trust has a full due diligence review to minimise any future risk to the organisation. Where there is significant financial risk the Trust has ensured there is adequate insurance cover. The Trust has an effective system of internal control, set out the MAT Financial Procedures document.

Financial and risk management objectives and policies

The financial risks to the Trust relate primarily to:

- strategic and reputational;
- operational;
- compliance; and
- financial.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

School Improvement & being an employer of choice: The Trust redesigned its education and school improvement model during 2017/18 in order to (i) better deliver support and (ii) develop excellence, at scale in line with the vision and experience that has driven success in the past. This new model was implemented across the Trust at the beginning of September 2019. As opposed to a more traditional top-down education director role, the EPL is a facilitative role responsible for overseeing three key prongs of collaborative improvement: collaborative support teams, a school improvement model (known as **SIP**) incorporating a series of reviews, and Continuing Professional Development (**CPD**). If one Academy has an issue with phonics, our EPL will assemble a bespoke team of phonics experts from across other Academies 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 consist of at least three individuals assembled from across the Trust. Each Academy has a different team that comes in. A team includes at least an Executive Head/ Headteacher, a Deputy Headteacher, and a specialist (each from a different Academy) that goes into an Academy as their SIP team for the year. Term 1 was a teaching review, term 2 focused on middle leaders and the impact of the School Development Plan, and term 3 focused on a review of the year with a focus on governance. As part of the evolution of this model for future periods, the 2019/20 school year will use the three terms to focus on: teaching, curriculum, and leadership. The EPL is also responsible for overseeing the Trust's CPD offer for all levels of staff. This service also forms part of the partnering offer to schools and academies outside of Trust, and it is a key feature in our strategy to be an employer of choice. It enables our staff to learn alongside external staff, expanding ideas and learning opportunities.

School improvement for areas of development is an absolute priority this year. The embedding and success of this model is key over the next year and beyond.

Curriculum: The Trust's Maritime Curriculum is key to who we are and how we provide excellent education. We want to ensure understanding and buy-in from staff. We will also work to promote it to parents, so that they understand that their child's experience is different to other (non-Trust) schools because of a focus on our 6Cs. Part of the work around curriculum conducted over the past two years has been to develop ways to measure what we value with our 6Cs, in order to demonstrate the strength of our curriculum. This work is part of our Maritime Curriculum Document (**FROG**), and embedding that is a focus for the next two years. We plan to work with other organisations to develop the reputation, strength, and opportunities of the Trust's Maritime Curriculum further.

Sustainable growth: We will continue to grow and develop the Trust in a sustainably balanced way, focusing on capacity and structure. We need to grow not just to survive, but to develop our collaborative model and build more capacity. The Trust considers it a moral imperative to provide excellent education and roll out this model to as many children as possible where we have capacity to do so. Our growth ensures more children are in stronger schools, and that schools are well-supported with central functions, enabling them to focus on their core purpose of teaching and learning. The 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. The Trustees want to ensure that the Trust is adding value to the schools who join, and that growth is not detrimental to the Academies who are already part of us.

The Trust currently operates on a Greenwich and Medway hub model. We will continue to look at developing these hubs, ensuring that future growth continues to encompass a collaborative hub model. We will continue to work closely with the Department for Education, local authorities, 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 Academies and the schools that we can provide support to.

Financial sustainability: Financial sustainability is an absolute priority, and a challenge for the sector. We are adapting principles of Integrated Curriculum Financial Planning for use with primary schools. We will soon welcome input from a School Resource Management Adviser, as part of the conditions for trusts who received grant funding last year. The Trust has actively engaged with other organisations, trusts, and individuals to assess various financial models and systems and benchmark resourcing and operating models. The Trust is actively looking at alternative sources of income.

MARITIME ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Actions For Financial Sustainability

The Trust is adopting ICFP recommendations and are working with our finance team to support all Academies in setting a balanced budget. This includes a focus on:

- staff ratios;
- leadership capacity;
- non contact time;
- reducing the cost of contracts;
- centralising and sharing functions across the Trust;
- working to help drive up pupil numbers; and
- deficit recovery plans for our Academies that cannot set balanced budgets.

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 17 December 2019 and signed on its behalf by:

T Beck
Chair

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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	4	6
A Korin	6	6
T Miller (Resigned 16 October 2018)	0	0
M Myers	6	6
N Osborne (Accounting Officer)	6	6
P Vachha (Resigned 10 May 2019)	0	5
D Cockcroft (Appointed 16 October 2018)	5	6

For the year 2018/19, there were three changes to the Trust Board. T Miller resigned on 16 October 2018, although he remains the Finance Director of the Trust. P Vachha resigned, due to work commitments, on 19 May 2019. D Cockcroft, who brings external finance, risk management, and marketing expertise to the Trust Board was appointed on 16 October 2018.

There were no changes to the Members.

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust Board is very strong and works closely with specialist organisations and individuals, as well as boards for trusts of different sizes and maturity levels. These outward-facing relationships and sources of expertise have been instrumental in supporting the strategic development of the Trust. They provide advice and a key sounding board around issues of governance, particularly for the Trust's governance review completed during the course of 2018/19.

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 Trust Board is led by the Chair of Trustees, who is a National Leader of Governance, former governance professional and expert in trust organisational development. She is now a senior consultant providing strategic counsel and support for academy trusts, standalone schools, and educational charities across the country on areas of public affairs, communications, and strategic 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 Trust Board is exceptionally strategic and forward-thinking. It understands how to apply relevant individual skills to our educational setting. There is an effective board culture of openness, honesty, trust and focused support and challenge which enables productive conversations and flow. The dynamic of the Trust Board is a real strength, as is the team dynamic between the Trust Board and the CEO. It enables the CEO to think differently and really drives the momentum, development and success of the Trust.

Key challenges and actions for the Board in 2018/19 included but were not limited to:

- Overseeing the implementation of a new school improvement model from September 2018, together with the challenges and expected implementation dip associated with large scale organisational and behavioural change
 - The Trust Board supported the refinement of systems, processes, and focal points as the model developed over the course of the year. Adaptations were quickly made as the year progressed. A strong set of action plans, schedules, systems and processes have been put into place for 2019/20 academic year, based on learning from 2018/19. While most areas were as the Trust Board would expect for year 1 of this model, taking into account individual cohorts, expectations for areas of improvement have been made clear for 2019/20 now that systems and roles are more established.
- Ensuring sustainable and balanced growth rooted in a healthy culture across the Trust.
 - After a period of due diligence over a year, the Trust Board welcomed the preparations for Hook Lane Primary School to join, which they did in September 2019. One of the reasons Hook Lane joined was because of the culture they experienced across the Trust. This was an immense success for us.
 - The Trust Board supported the successful application and plans for a new free school in Ebbsfleet, to be opened in September 2020 and including specialist provision for autism, which was important to us. The location of the school is geographically situated midway between our Greenwich and Medway Academies. Plans are well underway and we look forward to seeing the continued progress over 2019/20 academic year.
 - The Trust received grant funding to support this growth.
- Financial sustainability - schools are facing a national funding crisis.
 - The Trust Board worked closely with the Finance Director to consider strategic options for financial sustainability of the Trust, including service contract negotiation, income through partnering support services, the use of premises outside school hours, group restructuring and centralisation, bid funding and sponsorship opportunities.
 - The centralisation of finance and HR functions was a major project over the course of 2018/19, and included research and advice from other trusts around the country. The move towards centralisation was absolutely essential in order to secure financial efficiencies, compliance, consistency and quality, all of which were entirely too variable under a non-centralised model. As a Trust subject to Charity and Company Law, it was essential to manage these functions as tightly as possible, with higher expectations than would be standard under a local authority model.

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Governance - The Trust Board reviewed the functions of local governance to ensure clear roles, clear goals, and compliance.

- This project was led by the Chair of Trustees and Operations Director, with support from the CEO and the Trust Board. Advice was also obtained from numerous trusts, organisations, and governance professionals across the country.
- The aims were to:
 - provide certainty around the fact that legal liability and responsibility sits solely with the Trust Board and cannot be delegated;
 - ensure that people with the right skills sat on LGBs, who also had alignment with the vision and values of the Trust, the Nolan Principles, code of conduct, and Maritime Behaviours;
 - ensure local governance was focused on the right things, namely (i) strategic and not operational issues, (ii) clear on expectations of governance and (iii) how to work effectively with an Executive Head/Headteacher;
 - ensure rigorous strategic focus on school improvement in order to move our Academies forward;
 - 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; and
 - ensure that local governance would function as an effective tool to flag up any areas for concern so that they could be addressed as quickly as possible.
- LGBs in each Academy are now focused on the School Development Plan, ensuring that their Academy is (i) pursuing the key priorities for each year, (ii) making clear progress towards those and (iii) adapting as needed. Those priorities will vary for each Academy and each year, but could include things such as operating within a budget, improvement data in particular subjects or phases, capital projects, boosting pupil numbers, or community engagement activities. While finances and education data are retained by the Trust Board, LGBs receive all of this for information to inform discussion of Academy priorities.
- These reforms were brought in for April 2019 at the start of summer term. This permitted the Trust and LGBs to test the new system, prior to the full implementation of a revised Scheme of Delegation in September 2019. September 2019 also saw the start of a new Trust level committee, the Education Challenge Board (the **ECB**), which is responsible for data and includes Headteachers external to the Trust. The ECB will be reported on in the next financial year reports.
- Landscape - Having to operate within a politically charged landscape that is unnecessarily hostile to the academy sector. As a Trust our sole purpose is to advance education for public benefit. We are a non-profit charity. We operate in facts and within a highly accountable system. We are proud of this organisation, how well it has developed, how focused it is on doing the right thing by children and staff, and how determined it is to fix areas that aren't working, and all of the people within it. Facts on school trusts are available here: <https://cstuk.org.uk/wp-content/uploads/2019/11/Myth-busting.pdf>

The Trust Board is reflective and learns from mistakes, a key attribute of the Trust as a whole. The Trust Board approaches every challenge with a keen strategic focus and develops innovative solutions that are unique to the Trust. We are relentlessly focused on the successful organisational development of the Trust.

Subject to the exception below, there is separation of membership on the Trust Board and LGBs. 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. For the duration of 2018/19 a Transition Board (as defined in the Trust's Scheme of Delegation) was in place across the two Featherby Academies and there is a crossover in membership there: T Beck as Chair of Trustees with education and governance expertise, N Osborne as CEO and T Miller as Finance Director. These three were on the Transition Board to oversee the rapid changes within the Academies, embed the Academies within the Trust, and recruit and develop governance for the Academies. The composition of the Transition Board is reviewed regularly and will eventually be replaced by a standard LGB.

Financial data received by Trustees is clear and strong. It reflects continued changes to the format, as requested by Trustees for clarity and effectiveness. Education data was inconsistent across the Academies and Trustees asked for refinements. The data will be further refined over 2019/20. The aim is for data that is meaningful, not data for the sake of data. There is a system in place for collection across the Trust, and a method of reporting from the CEO, which makes data relevant and clear. Trustees also receive reports from the Fisher Family Trust, the IDSR and ASP.

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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)	0	0
M Myers	5	6
N Osborne (Accounting Officer)	5	6
P Vachha (Resigned 10 May 2019)	2	4
D Cockcroft (Appointed 16 October 2018)	3	6

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that the 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 resources has provided good value for money during each academic year. They report to the Trust Board where value for money can be improved, including the use of available benchmarking data. The Accounting Officer has delivered improved value for money during the year because:

- Results at the end of Key Stage 2 tend to be above the national average levels and our Academies' finances are managed effectively. Our sponsor school results have continued to grow and are now in line or above the national average levels.

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

The Trust routinely reviews all contracts and service level agreements. In 2018/19 it continued to secure better value provision for:

- IT support;
- governance support;
- health & safety
- HR support;
- bursarial services;
- insurance;
- speech & language services;
- school improvement services;
- photocopying; and
- cleaning.

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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 2018 to 31 August 2019 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 Trust's system of internal financial control is based on a framework of (i) regular management information and (ii) 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. These are reviewed and agreed by the Trust Board;
- 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; and
- identification and management of risks.

The Trust Board 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.

Checks carried out in the current period include:

- accuracy of school census;
- accurate recording of income including cash;
- school trips and journey income covers costs;
- administration of lettings;
- bank account statements reconciliation;
- asset management - maintenance of asset registers;
- leasing arrangements;
- procurement- compliance with purchasing and tendering processes / requirements;
- delegation of authority and the segregation of duties – in line with Trust finance manual.

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 Trustee's financial responsibilities.

The trustee's confirm the internal reviewer has delivered their schedule of work as planned, and no material control issues arose as a result of the internal reviewer's work.

MARITIME ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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;
- 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 17 December 2019 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 2019

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 2018.

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 2018.

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

17 December 2019

MARITIME ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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 Academies Accounts Direction 2018 to 2019 published 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 2018 to 2019;
- 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 17 December 2019 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 2019

Opinion

We have audited the financial statements of Maritime Academy Trust for the year ended 31 August 2019 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 2018 to 2019 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 2019 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 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

MARITIME ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019

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

18 December 2019

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 2019

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 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 2019

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 2018 to 31 August 2019 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: 18 December 2019

MARITIME ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	172	15	717	904	226
Donations - transfer from local authority on conversion		111	-	-	111	23,908
Charitable activities:						
- Funding for educational operations	4	-	12,728	-	12,728	11,754
Other trading activities	5	741	-	-	741	572
Investments	6	1	-	-	1	1
Total		<u>1,025</u>	<u>12,743</u>	<u>717</u>	<u>14,485</u>	<u>36,461</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	285	14,790	467	15,542	14,147
Total	7	<u>285</u>	<u>14,790</u>	<u>467</u>	<u>15,542</u>	<u>14,147</u>
Net income/(expenditure)		740	(2,047)	250	(1,057)	22,314
Transfers between funds	18	(720)	1,173	(453)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,571)	-	(1,571)	923
Net movement in funds		20	(2,445)	(203)	(2,628)	23,237
Reconciliation of funds						
Total funds brought forward		1,816	(4,802)	63,606	60,620	37,383
Total funds carried forward		<u>1,836</u>	<u>(7,247)</u>	<u>63,403</u>	<u>57,992</u>	<u>60,620</u>

MARITIME ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds £'000	General £'000	Fixed asset £'000	2018 £'000
Income and endowments from:					
Donations and capital grants	3	156	16	54	226
Donations - transfer from local authority on conversion		1,083	(2,206)	25,031	23,908
Charitable activities:					
- Funding for educational operations	4	-	11,754	-	11,754
Other trading activities	5	572	-	-	572
Investments	6	1	-	-	1
Total		<u>1,812</u>	<u>9,564</u>	<u>25,085</u>	<u>36,461</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	184	13,528	435	14,147
Total	7	<u>184</u>	<u>13,528</u>	<u>435</u>	<u>14,147</u>
Net income/(expenditure)		1,628	(3,964)	24,650	22,314
Transfers between funds	18	(739)	648	91	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	923	-	923
Net movement in funds		889	(2,393)	24,741	23,237
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>

MARITIME ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		63,231		63,606
Current assets					
Debtors	15	1,541		1,402	
Cash at bank and in hand		1,806		1,323	
		<u>3,347</u>		<u>2,725</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,289)		(938)	
Net current assets			<u>2,058</u>		<u>1,787</u>
Net assets excluding pension liability			65,289		65,393
Defined benefit pension scheme liability	20		(7,297)		(4,773)
Total net assets			<u>57,992</u>		<u>60,620</u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			63,403		63,606
- Restricted income funds			50		(29)
- Pension reserve			(7,297)		(4,773)
Total restricted funds			<u>56,156</u>		<u>58,804</u>
Unrestricted income funds	18		<u>1,836</u>		<u>1,816</u>
Total funds			<u>57,992</u>		<u>60,620</u>

The financial statements on pages 30 to 53 were approved by the Trustees and authorised for issue on 17 December 2019 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 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	21		(143)		(352)
Cash funds transferred on conversion			-		1,083
			<u>(143)</u>		<u>731</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1		1	
Capital grants from DfE Group		717		54	
Purchase of tangible fixed assets		(92)		(145)	
		<u></u>		<u></u>	
Net cash provided by/(used in) investing activities			626		(90)
			<u></u>		<u></u>
Net increase in cash and cash equivalents in the reporting period			483		641
Cash and cash equivalents at beginning of the year			1,323		682
			<u></u>		<u></u>
Cash and cash equivalents at end of the year			<u>1,806</u>		<u>1,323</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 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 i.e. 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

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

1.4 Income

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

Grants

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

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

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.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

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.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Governance costs

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

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more 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 Leased assets

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

1.9 Financial instruments

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

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 20, 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 2019. 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 2019

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	717	717	54
Other donations	172	15	187	172
	<u>172</u>	<u>732</u>	<u>904</u>	<u>226</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	9,776	9,776	9,273
Start up grants	-	75	75	-
Other DfE group grants	-	1,421	1,421	1,000
	<u>-</u>	<u>11,272</u>	<u>11,272</u>	<u>10,273</u>
Other government grants				
Local authority grants	-	1,456	1,456	1,481
	<u>-</u>	<u>1,456</u>	<u>1,456</u>	<u>1,481</u>
Total funding	<u>-</u>	<u>12,728</u>	<u>12,728</u>	<u>11,754</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	27	-	27	18
Catering income	178	-	178	155
Other income	536	-	536	399
	<u>741</u>	<u>-</u>	<u>741</u>	<u>572</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	9,077	415	816	10,308	10,731
- Allocated support costs	2,437	1,703	1,094	5,234	3,416
	<u>11,514</u>	<u>2,118</u>	<u>1,910</u>	<u>15,542</u>	<u>14,147</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	20	20
- Other services	8	7
Depreciation of tangible fixed assets	467	435
Net interest on defined benefit pension liability	124	115
	<u>619</u>	<u>677</u>

8 Central services

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

- School Improvement
- SEND
- IT/ computing
- HR
- Finance and administration
- Governance
- Procurement
- Website compliance
- Estates and Health and Safety compliance

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:

	2019 £'000	2018 £'000
Featherby Infant School	61	63
Featherby Junior School	67	66
Greenacres Primary School	104	85
Nightingale Primary School	66	55
Brooklands Primary School	61	60
Millennium Primary School	121	121
Timbercroft Primary School	106	105
	<u>586</u>	<u>555</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	4	10,304	10,308	10,731
Support costs				
Educational operations	281	4,953	5,234	3,416
	<u>285</u>	<u>15,257</u>	<u>15,542</u>	<u>14,147</u>
			2019	2018
			£'000	£'000
Analysis of support costs				
Support staff costs			2,437	1,018
Depreciation			52	38
Technology costs			189	104
Premises costs			1,651	1,107
Other support costs			863	1,112
Governance costs			42	37
			<u>5,234</u>	<u>3,416</u>

10 Governance costs

	Total 2019 £'000	Total 2018 £'000
All from restricted funds:		
Amounts included in support costs		
Legal and professional fees	14	10
Auditor's remuneration		
- Audit of financial statements	20	20
- Other audit costs	8	7
	<u>42</u>	<u>37</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

11 Staff

Staff costs

Staff costs during the year were:

	2019	2018
	£'000	£'000
Wages and salaries	8,148	7,696
Social security costs	742	702
Pension costs	2,100	1,935
	<hr/>	<hr/>
Amounts paid to employees	10,990	10,333
Agency staff costs	478	270
Staff restructuring costs	46	102
	<hr/>	<hr/>
Amounts paid to staff	11,514	10,705
Staff development and other staff costs	69	95
	<hr/>	<hr/>
Total staff expenditure	11,583	10,800
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	46	102
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2019	2018
	Number	Number
Teachers	125	110
Administration and support	219	235
Management	15	11
	<hr/>	<hr/>
	359	356
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2019	2018
	Number	Number
£60,000 - £70,000	7	5
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£120,001 - £130,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

11 Staff

(Continued)

The originally published 2018 salary ranges inadvertently included employers pension contributions. These have now been amended for more accurate comparisons.

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 £441k (2018: £436k).

12 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 (2018: £125,000- £130,000)
- Employers pension contributions £20,000 - £25,000 (2018:£20,000- £25,000)

T Miller (Director) (1 month)

- Remuneration: £5,000 - £10,000 (2018: £60,000-£65,000)
- Employers pension contributions £0 - £5,000 (2018:£5,000- £10,000)

During the year, £959 (2018: £619) was reimbursed or paid directly to two (2018: one) trustees for travel and attendance at a conference (This is covered by a grant received by the DfE - National Leadership of Governance) and general travelling expenses.

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

13 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.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

14 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2018	64,068	33	152	64,253
Additions	-	32	60	92
At 31 August 2019	64,068	65	212	64,345
Depreciation				
At 1 September 2018	603	11	33	647
Charge for the year	415	15	37	467
At 31 August 2019	1,018	26	70	1,114
Net book value				
At 31 August 2019	63,050	39	142	63,231
At 31 August 2018	63,465	22	119	63,606

Included in land and buildings is land of £43,308k (2018: £43,308k) which is not depreciated.

15 Debtors

	2019 £'000	2018 £'000
VAT recoverable	1,210	500
Other debtors	-	764
Prepayments and accrued income	331	138
	1,541	1,402

16 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	535	25
Other taxation and social security	-	172
Other creditors	307	198
Accruals and deferred income	447	543
	1,289	938

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Deferred income	2019	2018
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	164	163
	<u> </u>	<u> </u>
Deferred income at 1 September 2018	163	88
Released from previous years	(163)	(88)
Resources deferred in the year	164	163
	<u> </u>	<u> </u>
Deferred income at 31 August 2019	164	163
	<u> </u>	<u> </u>

The deferred income relates to Universal Infant Free School Meals for 19/20.

18 Funds	Balance at			Gains,	Balance at
	1 September	Income	Expenditure	losses and	31 August
	2018	£'000	£'000	transfers	2019
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant (GAG)	-	9,776	(10,949)	1,173	-
Start up grants	-	75	(25)	-	50
Other DfE / ESFA grants	(29)	1,421	(1,392)	-	-
Other government grants	-	1,456	(1,456)	-	-
Other restricted funds	-	15	(15)	-	-
Pension reserve	(4,773)	-	(953)	(1,571)	(7,297)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(4,802)	12,743	(14,790)	(398)	(7,247)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
DfE group capital grants	-	717	-	(545)	172
General fixed assets	63,606	-	(467)	92	63,231
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	63,606	717	(467)	(453)	63,403
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	58,804	13,460	(15,257)	(851)	56,156
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	1,816	1,025	(285)	(720)	1,836
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	60,620	14,485	(15,542)	(1,571)	57,992
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DFE/ESFA grants: This includes the pupil premium, universal infant free school meals, PE grant, teachers pay grant, rates relief and Growth income.

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.

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

	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>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
Featherby Infant School	1	1
Featherby Junior School	1	1
Greenacres Primary School	1	1
Nightingale Primary School	1	1
Brooklands Primary School	1	1
Millennium Primary School	1	1
Timbercroft Primary School	1	1
Central services	1,879	1,780
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,886	1,787
Restricted fixed asset fund	63,403	63,606
Pension reserve	(7,297)	(4,773)
	<hr/>	<hr/>
Total funds	57,992	60,620
	<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 2019 £'000	Total 2018 £'000
Featherby Infant School	32	-	35	251	318	1,273
Featherby Junior School	1,867	319	48	275	2,509	1,408
Greenacres Primary School	1,865	237	70	295	2,467	2,093
Nightingale Primary School	947	173	53	210	1,383	1,220
Brooklands Primary School	902	146	46	310	1,404	1,308
Millennium Primary School	1,697	287	60	477	2,521	2,548
Timbercroft Primary School	1,499	141	100	546	2,286	2,158
Central services	268	1,134	11	774	1,413	1,286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,077	2,437	423	3,138	14,301	13,294
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	63,231	63,231
Current assets	1,836	1,339	172	3,347
Creditors falling due within one year	-	(1,289)	-	(1,289)
Defined benefit pension liability	-	(7,297)	-	(7,297)
Total net assets	1,836	(7,247)	63,403	57,992

	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

20 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 £nil (2018: £152k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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.

The employer's pension costs paid to the TPS in the period amounted to £734k (2018: £666k).

Scheme changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16 to 18.5% for employers and 5.5 to 12.5% for employees.

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	537	581
Employees' contributions	185	177
Total contributions	722	758

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.9	2.7
Inflation assumption (CPI)	2.2	2.3

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

	2019 Years	2018 Years
Retiring today		
- Males	21.8	22.7
- Females	23.7	24.8
Retiring in 20 years		
- Males	23.4	24.9
- Females	25.5	27.1

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

Defined benefit pension scheme net liability

Scheme assets	5,159	4,242
Scheme obligations	(12,456)	(9,015)
Net liability	(7,297)	(4,773)

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme	2019 Fair value £'000	2018 Fair value £'000
Equities	1,313	1,137
Bonds	788	626
Unitised Insurance Policies	1,511	1,089
UK & Overseas Unit Trusts	923	761
Property	539	461
Other assets	85	168
Total market value of assets	5,159	4,242

The actual return on scheme assets was £271,000 (2018: £116,000).

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	1,198	1,306
Past service cost	168	-
Interest income	(123)	(94)
Interest cost	247	209
Administration expenses	-	2
Total operating charge	1,490	1,423

Changes in the present value of defined benefit obligations	2019 £'000
At 1 September 2018	9,013
Current service cost	1,198
Interest cost	244
Employee contributions	185
Actuarial loss/(gain)	1,722
Benefits paid	(74)
Past service cost	168
At 31 August 2019	12,456

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

	2019 £'000
At 1 September 2018	4,240
Interest income	120
Actuarial gain	151
Employer contributions	537
Employee contributions	185
Benefits paid	(74)
At 31 August 2019	<u>5,159</u>

21 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2019 £'000	2018 £'000
Net income for the reporting period	(1,057)	22,314
Adjusted for:		
Net surplus on conversion to academy	(111)	(23,908)
Capital grants from DfE/ESFA and other capital income	(717)	(54)
Investment income receivable	(1)	(1)
Defined benefit pension costs less contributions payable	829	727
Defined benefit pension net finance cost	124	115
Depreciation of tangible fixed assets	467	435
(Increase) in debtors	(139)	(643)
Increase in creditors	351	663
Stocks, debtors and creditors transferred on conversion	111	-
Net cash used in operating activities	<u>(143)</u>	<u>(352)</u>

22 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	5	5
Amounts due in two and five years	3	8
	<u>8</u>	<u>13</u>

MARITIME ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

23 Capital commitments

	2019 £'000	2018 £'000
Expenditure contracted for but not provided in the financial statements	279	-

24 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.

25 Post balance sheet events

After the year end, the following school converted to academy trust status and joined Maritime Academy Trust.

Hook Lane Primary School - 1 September 2019

26 Members' liability

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