

REACH2MARITIME ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

LANDAU BAKER LIMITED

Chartered Accountants & Statutory Auditors

Mountcliff House

154 Brent Street

London

NW4 2DR

REACH2MARITIME ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

Victoria Slater, Trustee (appointed 1 July 2014)
Steve Lancashire, REAch2
Cathie Paine, REAch2 (appointed 7 February 2014)
Dean Ashton, REAch2 (appointed 7 February 2014)
Lorraine Stewart, Headteacher & Accounting Officer
David Mason, Chair of Trustees
Peter Skinner, Trustee (appointed 1 April 2014)
Gill Ellyard, REAch2 (appointed 1 April 2014)

Company registered number

07739392

Principal and registered office

REAch2 Office, Scientia Academy, Mona Road, Burton-On-Trent, Staffordshire, DE13 0UF

Company secretary

Winckworth Sherwood

Chief executive officer

Steve Lancashire

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the audited financial statements and auditors' report of the charitable company for the year commencing 1st September 2013 and ending 31st August 2014.

The Trust operates one primary academy in the London Borough of Lewisham, Tidemill Academy. Tidemill Academy provides a state education to boys/girls of different abilities between the ages of 3 to 11. Tidemill Academy has a pupil capacity of 420 pupils and also has a nursery offering 26 places and a Speech, Language and Communication Resource Base offering 16 places. Tidemill is also the lead school in the Endeavour Teaching School Alliance.

Structure, governance and management

a. CONSTITUTION

The Academy Trust was incorporated as a company on 12th August 2011. During the 2012/13 academic year, the Directors and Members continued previous discussions about joining a wider Academy Trust with extensive primary experience to ensure the school would be supported and challenged. After extensive research and consultation, the Directors and Members voted to join REAch2 on 11th July 2013. As part of this process, the decision was taken to change the Articles of Association to change the company to a Multi-Academy Trust. This will allow REAch2Maritime to bring other local schools into the Trust, either as outstanding converter schools or as sponsored academies. The Deed of Variation and the new Articles of Association and Funding Agreements were agreed by the Secretary of State on 1st October 2013.

The REAch2Maritime 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 REAch2Maritime Academy Trust Limited are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is also known as REAch2 Limited and Tidemill Academy. Tidemill Academy is also the lead school in the Endeavour Teaching School Alliance.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every governor or other officer of the charitable company shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The trustees / directors of REAch2Maritime are appointed under the terms of the Academy's Articles of Association:-

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FOR THE YEAR ENDED 31 AUGUST 2014

- a) REAch2 Ltd.
- b) REAch2 Appointed Directors as REAch2 sees fit
- c) The Executive Principal (referred to as the Executive Director in the articles) is appointed by REAch2 as long as they remain in office
- d) One Academy Director, which will be a Chair of a Local Governing Body of an Academy within the Trust. Where there is more than one candidate, the Chairs will elect the Academy Director for a period of one year.
- e) One Principal Director, which will be a Principal of an Academy within the Trust. Where there is more than one candidate the Principals will elect the Principal Director for a period of one year
- f) Directors co-opted by the Board
- g) A minimum of two parent governors unless the Local Governing Bodies each have at least two Parent Governors
- h) The Directors may also, with the consent of REAch2, appoint Staff Directors provided that the total number of Directors including any Executive Director or Principals who are employees of the Company does not exceed one third of the total number of Directors

The term of office for any governor shall be four years. The Executive Principal term of office runs parallel with her contract of employment. Subject to remaining eligible to be a particular type of governor any governor may be reappointed or re-elected. The Academy Director and Principal Director are elected annually.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review the directors held three meetings. The training and induction provided for new directors will depend on their existing experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Charitable Company.

f. ORGANISATIONAL STRUCTURE

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: the non-executives and the executive who are the senior leadership team.

The Board of Directors has considered its role thoughtfully and decided that the role of the directors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives. Directors are responsible for:

-
- Setting general policy & making major decisions about the direction of the Charitable Company
- Agreeing targets
- Approving the budget
- Monitoring the budget
- Monitoring performance data and standards
- Agreeing senior staff appointments

The Board of Directors has approved a Scheme of Delegation which delegates specific responsibilities to the Local Governing Body and committees of Tidemill Academy. The Scheme of Delegation and the Terms of Reference for the Local Governing Body and its committees are agreed annually by the MAT Board.

The Board monitor the work of the Governing Body and its committees through their reports and minutes of their meetings. The Board also reviews the Audit Reports and Responsible Officer reports which form part of the systems of internal control. The Board also undertakes an annual Moderated Trust Inspection (MTI) to assess standards.

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Local Governing Body

In order to meet the specific responsibilities delegated by the REAch2Maritime Academy Board, the Governing Body and Committees of Tidemill Academy have the following structure:

-
- Governing Body (meeting half termly)
- Resources Committee (meeting half termly)
- Standards and Community Committee (meeting half termly)
- Audit & Risk Committee (meeting termly)

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

REAch2 Maritime Academy Trust has a strong working relationship with REAch2 Ltd. This relationship is defined through the Memorandum of Understanding that the Trust and REAch2 Ltd have agreed. REAch2 Ltd is a charity with the purpose:

- "REAch2 (Raising Educational Achievement for Children) is an Academy Trust developed by Hillyfield Primary Academy. Its core mission is to create a family of primary academies that have strong reputations for delivering outstanding education for all pupils. Through working increasingly across a wide geographical area with schools in a variety of contexts, REAch2 will seek to be an influential voice in the primary sector."
- "The mission and vision of REAch2 is set out in its mission and vision statement. In fulfilling this mission, REAch2 has established a network of academies who share a common vision and purpose. This Memorandum acknowledges the shared vision and the commitments that REAch2 and all the REAch2 Academy Trusts and their respective REAch2 Academies (the "Trust"), by signing this Memorandum, make to each other. The relationship between REAch2 and the Trust is intended to be mutually beneficial and reflects their wish to work together and to collaborate. Whilst there is no intention to create legally binding obligations in this Memorandum, it reflects the expectations that the parties have of each other."
- "The strength of the partnership between REAch2 and the Trust and the REAch2 Academies and more widely the REAch2 network of schools lies in the fact that all look outwards as well as inwards and the interaction with others provides challenge and opportunity as well as promotes best practice. Whilst it may be clear that the primary objective of this Memorandum is to provide mutual support, nothing in this Memorandum will prohibit either REAch2 or the Trust collaborating with other local and national networks."

In addition to this, the Trust also provides a procurement framework that enables its member academies to access commercial services that ensure value for money and consistent quality. For these commercial services REAch2 has entered into agreements with commercial providers of back office services including: legal, HR, Payroll, Insurance, financial systems and accountancy services.

On February 2014, a trading company was established, REAch2 Inspiration Ltd. REAch2 Inspiration Ltd is wholly and equally owned by the eleven charities that make up the REAch2 group, the 10 Multi-Academy Trusts (MATs) and REAch2 Ltd. Because REAch2 Inspiration Ltd is wholly owned by the 11 charities it will fully comply with the provision of services "at cost" principle, as any surpluses generated by the company would belong to the Multi Academy Trusts. The purpose for establishing REAch2 Inspiration Ltd is to allow a supply of the highest quality 'in house' services, at a low cost to our MATs and their Academies, ensuring budgets are optimized to benefit the education of children within REAch2 Academies and hence providing best value.

Tidemill Academy was awarded National Teaching School status in March 2013. The core alliance includes: Tidemill (lead school); Hillyfield Academy, Robert Fitzroy Academy and Aerodrome Academy, REAch2; The Institute of Education.

Tidemill Academy is co-located with the London Borough of Lewisham Deptford Lounge complex and shares many facilities, including its halls, DT and Music Rooms. The facilities management services for the building are provided by the London Borough of Lewisham contractors for which a cost share arrangement has been agreed.

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Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Academies to "advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum".

In accordance with the articles of association, the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider "Master Funding Agreement" between the Company and the Secretary of State and "Supplemental Funding Agreements" for each Academy. The funding agreement specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities, the basis for admitting students, the requirements for a broad and balanced curriculum with an emphasis on the needs of individual pupils including those with SEN and the basis for charging pupils.

The Charitable Company achieves this object through the operation of The Tidemill Community Academy Trust, providing a state education, free of charge, to pupils aged 3 to 11.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of REAch2Maritime Academy Trust during the period ended 31 August 2014 are summarised below:

- achieve consistently high standards of teaching and learning
- to reduce the gap between Pupil Premium Grant and non-Pupil Premium Grant children
- to raise attainment in Key Stage 1 Reading, Writing & Maths
- to raise pupil outcomes at KS2 in Writing & Maths so they are consistently above national
- to support other schools in developing & improving the educational opportunities for all children, as a National Teaching School
- to achieve best value in service delivery especially where partnership working can add value

As the Lead School in the REAch2Maritime Academy Trust and Endeavour Teaching School Alliance, Tidemill Academy has a significant role to play in establishing the leadership capacity and resources which will allow the Trust to build capacity. The target is for the Trust to operate at least six academies, recruited from a mix of sponsorships, new provision and conversions.

REAch2 Ltd provide the REAch2Maritime Board with leadership support, leadership professional development, MAT Board support, performance management, policy development and group procurement.

For the period to August 31st 2014, 1.85% of the Tidemill EFA funding, was paid to REAch2 Ltd for the supply of services. The business and administration capacity of REAch2 Ltd are used to the benefit of the whole group in order to bring benefits of value for money and economies of scale to individual academies. The Academy Trust secures value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academy are legal services, audit services, responsible officer services, accountancy systems, HR and payroll services.

c. PUBLIC BENEFIT

In setting the objectives and planning the associated activities, the REAch2Maritime Board have given careful

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consideration to the Charity Commission's general guidance on public benefit.

The REAch2Maritime Academy Trust, through the work of Tidemill Academy, aims to advance for the public benefit, education in primary schools. Tidemill has supported other schools for a number of years and see this as a moral obligation. This is achieved through its status as a National Teaching School, Endeavour Teaching School Alliance. In 2013/14 it supported schools locally, in England and also overseas.

Additionally, as a charity the Trust has a public benefit duty to "promote for the benefit of the inhabitants of Deptford and the surrounding area the provision of facilities for recreation of other leisure time occupation for individuals who have need of such facilities".

The inclusion of shared usage spaces within the Deptford Lounge building (halls, ball court, DT and Music Rooms) ensure optimal use of this building by enabling the school to utilise these facilities during school hours and providing the local community with extensive, well managed access to these facilities after school, during the weekends and in school holidays and ensuring the ongoing maintenance of the facilities for the benefit of the local community.

STRATEGIC REPORT

a. KEY ACHIEVEMENTS AND PERFORMANCE (STANDARDS)

To ensure that standards are continually assessed, an annual Moderated Trust Inspection (MTI) is commissioned by REAch2. The 2013/14 MTI inspection was undertaken in May 2014 and returned the following outcomes:-

- Overall effectiveness - outstanding
- Achievement of pupils – outstanding
- Quality of teaching - outstanding
- Behaviour & safety – outstanding
- Leadership & management - outstanding

Pupil Premium

As a result of strategic planning by the leadership team, Tidemill gained considerable success in meeting our aim to narrow the in-school gap between children receiving the pupil premium grant (PPG) and those that do not. Pupil Premium children have benefited in many ways from the allocated funding. These are not all measurable through progress and attainment data however, are equally important. Additional goals and priorities include increased parental engagement and enrichment opportunities resulting in higher levels of pupil engagement and motivation.

Examples of targeted support and programmes include:-

- 1:1 tuition, Saturday school classes and Easter holiday tuition
- Additional teachers were provided in EYFS, Year 1&2, Year 3& 4 and Year 6 for booster groups
- Free after school clubs providing additional reading, maths, writing and art support
- PPG pupils with identified barriers to learning further supported through a range of targeted interventions including a Place2Be counselling service, learning mentor and enrichment leader support
- Additional parent workshops provided to show parents how to support children's learning at home
- Residential parent/child school journey for targeted families

Headline impact of the PPG focus:

- The in-school attainment gap between PPG and Non PPG has reduced in the large majority of cases across the school in reading, writing and maths. In the majority of cases this is considerable.
- The percentage of Tidemill PPG children who have made either expected or higher than expected progress when they leave Year 6 is higher than this year and last year's figures for national PPG and non PPG children. The progress that Tidemill's PPG and non PPG children make is similar.

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- A greater percentage of PPG children finish their learning journey at Tidemill having reached age related expectations than PPG and non PPG children nationally.
- We are particularly proud of the high number of our PPG children who achieved above age-related expectations. This is considerably higher than national PPG children and in line with Tidemill and national non PPG children.
- The percentage of Tidemill PPG Year 1 pupils passing the Year One Phonics Screening Check is higher than the national figure for the last 3 years. Tidemill's PPG and non PPG Screening Check marks are in line with each other.

Tidemill KS1 SATs results over time compared to the national average, 2012-2014

| | 2012 | | 2013 | | | 2014 | | |
|---------------|----------|----------|----------|------------------------|----------|----------|------------------------|----------|
| | Tidemill | National | Tidemill | Tidemill without S&LRB | National | Tidemill | Tidemill without S&LRB | National |
| Reading L2+ | 74.0 | 87.0 | 84 | 84.7 | 89 | 87 | 89 | 90 |
| Reading L 2B+ | 62.0 | 76.0 | 70 | 71.2 | 79 | 74 | 75 | 81 |
| Reading L 3 | 15.0 | 27.0 | 15 | 15.3 | 29 | 20 | 20 | 31 |
| Writing L 2+ | 74.0 | 83.0 | 84 | 84.8 | 85 | 79 | 80 | 86 |
| Writing L 2B+ | 43.0 | 64.0 | 54 | 55.9 | 67 | 60 | 61 | 70 |
| Writing L 3 | 10.0 | 14.0 | 5 | 5.1 | 15 | 7 | 7 | 16 |
| Maths L 2+ | 85.0 | 81.0 | 93.0 | 93 | 91 | 89 | 89 | 92 |
| Maths L 2B+ | 56.0 | 76.0 | 72.0 | 72 | 78 | 72 | 74 | 80 |
| Maths L 3 | 11.0 | 22.0 | 11 | 11.9 | 23 | 15 | 16 | 24 |
| APS | 14.2 | 15.5 | 14.8 | 14.9 | 15.8 | 14.7 | - | 15.9 |

We are pleased that the gap between the school's attainment at KS1 and the national average has closed significantly over the past three years, particularly at level 2B+

The impact of these strategies also resulted in a significant reduction in all areas of the in-school gap between Pupil Premium Grant (PPG) children and Non PPG pupils. Attainment is now broadly in line between the two groups.

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Writing & Maths

KS2 SATs results over time compared to the national average, 2012-2014

| | 2012 | | | 2013 | | | 2014 | | |
|---|---------|----------|---------|------|-----|------|------|----|------|
| Reading L4+ | Eng: 90 | Eng: 96 | Eng:85 | 84 | 89 | 86 | 93 | 95 | 89 |
| Reading L5+ | Eng:40 | Eng:43 | Eng:37 | 57 | 58 | 44 | 57 | 58 | 49 |
| Reading L6 | | | | 0 | 0 | 0 | 2 | 2 | 0 |
| Writing L4+ | | | | 84 | 89 | 83 | 90 | 92 | 85 |
| Writing L5+ | | | | 40 | 42 | 30 | 33 | 34 | 33 |
| Writing L6 | | | | 0 | 0 | 2 | 0 | 0 | 2 |
| Maths L4+ | 90 | 96 | 84 | 83 | 85 | 85 | 97 | 98 | 86 |
| Maths L5+ | 42 | 45 | 39 | 50 | 53 | 41 | 47 | 47 | 42 |
| Maths L6 | | | | 22 | 24 | 6 | 18 | 19 | 9 |
| Reading – expected progress (KS1-KS2) | Eng: 94 | Eng: 100 | Eng: 89 | 88 | 92 | 88 | 95 | 96 | 91 |
| Reading – more than expected progress (KS1-KS2) | | | | 52 | - | 30 | 57 | 58 | 35 |
| Writing – expected progress (KS1-KS2) | | | | 98 | 100 | 91 | 97 | 98 | 93 |
| Writing – more than expected progress (KS1-KS2) | | | | 50 | - | 30 | 52 | 53 | 33 |
| Maths – expected progress (KS1-KS2) | 94 | 98 | 87 | 88 | 91 | 88 | 97 | 98 | 89 |
| Maths – more than expected progress (KS1-KS2) | | | | 53 | | 31 | 60 | 61 | 35 |
| APS | 28.7 | - | 28.2 | 29.2 | - | 28.3 | 29.8 | - | 28.7 |

Tidemill Academy pupils start from a very low baseline in the Early Years Foundation Stage, making excellent progress within each school year to reach above national by the end of key stage 2.

We are proud to say that:-

- Tidemill pupils are in the top 10% of the country for progress. Progress of Tidemill pupils is significantly above national. This is very pronounced for those making more than expected progress

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- above national. This is very pronounced for those making more than expected progress
- We have met our aim of raising pupil outcomes in maths and writing so that they are consistently above national average
 - Tidemill has continued to improve results in attainment at all levels in reading. In writing and maths there has been a considerable raise in attainment at level 4+
 - Once again, we have excelled at maths level 6, with Tidemill pupils achieving double national.

b. KEY ACHIEVEMENTS AND PERFORMANCE (QUALITY OF TEACHING)

Tidemill, as the lead school of Endeavour Teaching School Alliance (ETSA), has made great progress in its aim of supporting other schools in developing and improving the educational opportunities for all children. ETSA has nine specialist leaders of education and several outstanding teacher mentors who have been used for bespoke school-to-school support. Schools within the strategic alliance s wrote and ran successful professional development programmes including four Newly Qualified Teacher programmes (London & Kent), two Outstanding Teacher programmes (middle & senior leaders) and a Speech, Language & Communication programme (teaching staff and SENCos). ETSA worked with a private company to deliver governor training. Evaluations received have been very positive.

Examples of impact include:

- The Alliance has successfully supported the REAch2 Trust in securing high quality practitioners at many levels, including senior leadership posts and teaching posts across the country. Three school are now led by headteachers working as part of the alliance.
- In 2013 schools within REAch2 in particular those supported by the alliance improved overall combined attainment by 12% which was three times higher than the national average. In sponsored academies alone the increase was 17% which is five times the national average.
- Five schools supported by the alliance had HMI monitoring visits during the course of the year and all five schools had judgements of good progress.
- One school had an Ofsted visit and was judged as good in all areas having being requires improvement previously.

c. KEY FINANCIAL PERFORMANCE INDICATORS

The Academy Trust uses a number of key financial performance indicators to monitor the financial success of the Academy Trust and progress / improvement against the targets set.

Staffing costs are monitored as a percentage of GAG and total income. For the period ended 31 August 2014, staffing costs (including agency staff) amounted to 86% of GAG and 67% of total income, compared with 77% of GAG and 62% of total income in 2012/13. The aim is for this percentage not to exceed 86% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for the October '13 census were 419 (excluding nursery), broadly in line with the October '12 census numbers of 420 (excluding nursery).

The Academy Trust also monitors it's in year operating surplus or deficit as a percentage of total income. For the year ended 31 August 2014, the in-year operating surplus (prior to the actuarial loss on the pension scheme) equated to 1.76% of income.

d. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust

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has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

a. FINANCIAL REVIEW

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ending 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The fixed asset fund of £10,864,291 (2013: £10,997,554) reflects the value of the fixed assets inherited from the predecessor school, the value of the new building which Tidemill Academy occupied on a 125 year lease in January 2012 and the furniture and ICT equipment undertaken by the London Borough of Lewisham and Tidemill Academy as part of the new building fit out. The restricted fixed asset balance for the building is depreciated by annual depreciation charges over the expected useful life of the asset.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Trust with any current liquidity problem. The employer contributions were assessed in April 2014 and an annual top-up payment agreed. It is expected further contribution changes will be recommended by the actuaries when they carry out their next review in order to further reduce this pension deficit, although this may not be achieved until stock market investment values start to recover.

b. RESERVES POLICY

The level of reserves are regularly monitored by the Tidemill Academy Resource Committee and the Board of Reach2Maritime Academy Trust to ensure that sufficient reserves are maintained to meet school development plan priorities, provide funds for cyclical maintenance and capital replacement programmes and also take into account the nature of current income and expenditure streams and the need to match them with commitments.

The ICT cyclical replacement programme will be commencing in 2014/15 with the purchase of Ipads for use across the school following the hugely successful trial in 2013/14. Additionally, Tidemill Academy is working on plans for the development of two additional group intervention rooms to enable them to provide further targeted support and booster classes.

The governors will keep this level of reserves under review.

c. INVESTMENT POLICY

Investment policies are determined at academy level, this is agreed by the local Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academies to additional risk. Should any potential Investment opportunity arise this would be escalated to the board for consideration. The most typical investments that are held are the Special Interest Deposit accounts which are immediately available to draw against.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The

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governors of Tidemill Academy have prepared a Risk Register and adopted the REAch2 Risk Management Policy. The Risk Register is reviewed annually by the Audit & Risk Committee to assess the major risks to which the Academy is exposed.

The REAch2Maritime Board also undertake an annual Risk audit. The Trustees believe the academies risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the academy trust.

The Trustees and the local governing body determine the financial health of Tidemill Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year the majority of the Academy's incoming resources was ultimately Government funded and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Governors and Board of Trustees continue to review Government funding changes and undertake scenario planning to assess impact as new details become available. Careful consideration is given to the allocation and use of reserves.

Reputational - the continuing success of the Academy is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees commission annual Moderated Trust Inspections and monitor results and data termly to ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies, procedures, recruitment and retention to ensure continued development and training of staff as well as ensuring there is clear succession planning. The Endeavour Teaching School Alliance is training new teachers who are being used across the REAch2 network of schools.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

a. PLANS FOR FUTURE PERIODS

REAch2Maritime Academy Trust will continue to strive to provide outstanding education to all of the pupils at Tidemill Academy and to also support the training and development of teachers from across the country through the work of the Endeavour Teaching School Alliance

In the event that there is the opportunity to expand the MAT through the addition of new sponsored or converter schools, the trustees will carefully review the needs of the schools to ensure REAch2Maritime can provide sufficient leadership and management capacity to be able to effectively support the schools whilst maintaining standards at Tidemill Academy.

The Academy Trust intends to give greater resilience to its financial management through the membership of a

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FOR THE YEAR ENDED 31 AUGUST 2014

schools, the trustees will carefully review the needs of the schools to ensure REAch2Maritime can provide sufficient leadership and management capacity to be able to effectively support the schools whilst maintaining standards at Tidemill Academy.

The Academy Trust intends to give greater resilience to its financial management through the membership of a centralised REAch2 Group Financial Monitoring and Reporting service.

Key priorities and future plans for Tidemill Academy for 2014/15 include:-

Standards: Achievement of Pupils

- Building of additional intervention space for booster groups and small group tuition
- Further increasing the rate of accelerated progress made by pupils at Tidemill Academy

Quality of Teaching

- Supporting other schools in developing & improving the educational opportunities for all children, as a National Teaching School

Behaviour & Safety of Pupils

- Improving identification and response to social/emotional needs of children to improve access to learning/behaviour for learning.

Quality of Leadership & Management

- Planning and implement relevant changes to the curriculum to best enhance children's future opportunities.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Funds were received during 2013/14 for the Endeavour Teaching School Alliance. These funds have been ring-fenced in the accounts and expenditure planned across the schools in the Alliance in 2014/15.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Landau Baker has indicated its willingness to continue in office.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 16 December 2014 and signed on the board's behalf by:



David Mason
Chair of Trustees

REACH2MARITIME ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that REAch2Maritime 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 Executive Principal (referred to in the Articles as the Executive Director), 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 REAch2Maritime 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.

The board of directors has delegated the day-to-day governance of the individual academies to the Local Governing Bodies. REAch2Maritime Academy Trust operated one academy during the period 1 September 2013 to 31 August 2014, Tidemill Academy. The Local Governing Body operates within a Scheme of Delegation described within the Articles of the company.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Victoria Slater, Trustee | 1 | 2 |
| Steve Lancashire, REAch2 | 3 | 3 |
| Cathie Paine, REAch2 | 2 | 2 |
| Dean Ashton, REAch2 | 2 | 3 |
| Lorraine Stewart, Headteacher & Accounting Officer | 3 | 3 |
| David Mason, Chair of Trustees | 3 | 3 |
| Peter Skinner, Trustee | 3 | 3 |
| Gill Ellyard, REAch2 | 1 | 1 |

REACH2MARITIME ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

School Governing Body & Committees

The MAT Board have established a committee structure which it requires all academies in the Trust to follow. In 2013/14, the one school currently in the REAch2Maritime Academy Trust, operated the following committee structure:-

| Committee | Key Responsibilities |
|---------------------|--|
| Governing Body | The Governing Body met 6 times in 13/14 to review the work of the sub-committees and review/ratify policies resulting from these committees. |
| Resources Committee | The Resources Committee met 6 times in 13/14 with the key responsibilities for budget setting, budget review, pay, staffing policies, staffing arrangements, health & safety and premises. |

| Committee | Key Responsibilities |
|---------------------------------|---|
| Standards & Community Committee | The Standards & Community Committee met 6 times in 13/14 with key responsibilities including curriculum, teaching and learning policies, school improvement and standards, SEN arrangements, pupil premium, behaviour, parent views, extended school activities and admissions. |
| Audit & Risk Committee | The Audit & Risk Committee met twice in 13/14 with key responsibilities including review and recommendations arising from the Responsible Officer and Audit reports, risk management and business continuity. |

Governing Body

Attendance at the Governing Body meetings in the year was as follows:-

| Governor | Meetings Attended | Out of Possible |
|---|--------------------------|------------------------|
| Chair - D Mason (Community Governor) | 6 | 6 |
| Vice Chair – E Jones (Parent Governor) | 3 | 6 |
| L Stewart (Headteacher) | 6 | 6 |
| T Bajracharya (Community Governor) | 4 | 6 |
| P Burton-Gayle (Parent Governor) | 5 | 6 |
| M Gibbins (Parent Governor) | 3 | 6 |
| P Doherty (Parent Governor) | 2 | 6 |
| G Johnson (Parent Governor) | 5 | 6 |
| M Matarisse (Parent Governor) | 6 | 6 |
| J Mayes (Community Governor) | 5 | 6 |
| V Slater (Community Governor) | 2 | 6 |
| L Turner (Staff Governor) | 5 | 6 |
| C Vernalls (Staff Governor) | 5 | 6 |
| A Coman-Walker (Community Governor - joined 23/07/2014) | 2 | 3 |

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GOVERNANCE STATEMENT (continued)

Resources Committee

The Resources committee is a sub-committee of the Governing Body. As a result of a Governor recruitment campaign during 2013/14, A Coman-Walker, who is a qualified Management Accountant, joined the Governing Body and was elected as the Chair of the Resources Committee. Attendance at the Resources Committee meetings was as follows:-

| Governor | Meetings Attended | Out of Possible |
|---|-------------------|-----------------|
| Chair - A Coman-Walker (Community Governor appointed 27/3/14) | 1 | 2 |
| Vice Chair – J Mayes (Community Governor) | 5 | 6 |
| Chair of Governors - D Mason (Community Governor) | 6 | 6 |
| E Jones (Parent Governor) | 3 | 6 |
| P Doherty (Parent Governor) | 4 | 6 |
| L Stewart (Headteacher) | 6 | 6 |

Standards & Community Committee

The Standards & Community Committee is also a sub-committee of the Governing Body. Attendance at meetings was as follows:-

| Governor | Meetings Attended | Out of Possible |
|---|-------------------|-----------------|
| Chair - E Jones (Parent Governor) | 6 | 6 |
| Chair of Governors – D Mason (Community Governor) | 6 | 6 |
| L Turner (Staff Governor) | 3 | 6 |
| T Bajracharya (Community Governor) | 4 | 6 |
| M Matarise (Parent Governor) | 4 | 6 |
| P Burton Gayle (Parent Governor) | 4 | 6 |
| L Stewart (Headteacher) | 6 | 6 |

Audit & Risk Committee

The Audit & Risk Committee is also a sub-committee of the Governing Body. Attendance at the meetings was as follows:-

| Director | Meetings Attended | Out of Possible |
|--|-------------------|-----------------|
| Chair - D Mason (Community Governor & Chair) | 2 | 2 |
| L Stewart (Headteacher) | 2 | 2 |
| V Slater (Community Governor) | 1 | 2 |
| C Vernalls (Staff Governor) | 1 | 2 |

GOVERNANCE REVIEWS

During 2013/14, a moderated Trust Inspection was commissioned by REAch2. Governance was one element of this inspection and was rated highly. A number of additional training sessions and self-evaluation exercises were carried out in 2013/14, including:-

- Ofsted Framework Governor Training (10th March 2014)
- Knowing your School Data RAISEOnline Training (14th May 2014)
- Governor Self-Evaluation meeting (5th June 2014)

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 risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being

REACH2MARITIME ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

realised and the impact should they be realised, and to manage them efficiently, effectively and economically. A robust system of internal control has been in place at REAch2Maritime Academy Trust for the period from 1 September 2013 to 31 August 2014 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 is exposed together with the operational, financial and compliance controls that have been implanted to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluation and managing the academy trust's significant risks that has been in place for the period 1st September 2014 to 31st August 2014 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- School Business Manager supported by an Office Manager
- Financial support and monitoring provided by the Trust through an external provider that supports the day-to-day financial management and provides a direct reporting channel to a named member of the Board of Trustees if concerns or risks are identified
- A financial policy and financial scheme of delegation for the Trust with clear guidelines for purchasing
- The commissioning of "Moderated Trust Inspections" using independent HMI to assess educational performance
- A performance management framework that provides a comprehensive assessment of performance each term
- A financial management system within each academy that is "virtual" and allows individual academy accounts to be monitored routinely by the Trust and its external financial support provider
- Comprehensive budgeting and monitoring systems with monthly financial reports which are considered and reviewed by the Resources Committee and reported to the Board of Trustees
- Clear reserves and investment policies
- Clearly defined purchasing guidelines
- Clear segregation of duties
- Annual review, identification and management control of risks
- Offsite back-up of all financial and educational data

The board of directors has not appointed an internal auditor. However the directors have appointed an external Responsible Officer to perform the role of Responsible Officer (RO) for the period 1st September 2013 to 31st August 2014.

The Auditor and Responsible Officer's roles include giving advice on financial matters and performing a range of

REACH2MARITIME ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

checks on the Academy Trust's financial systems. The quarterly Responsible Officer reports are shared with the Audit & Risk Committee, Resources Committee as well as with the Board of Trustees. All recommendations in the termly Responsible Officer reports have been actioned.

REVIEW OF EFFECTIVENESS

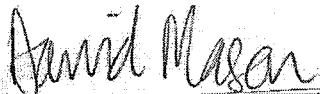
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the external auditors;
- The work of the responsible officer
- 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 audit committee/resources committee and the board of trustees. A plan to provide additional financial training on fixed assets and depreciation and the re-negotiation of the payroll SLA to ensure final sign off prior to salary payments being made to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 December 2014
behalf, by:

and signed on its



David Mason
Chair of Trustees



Lorraine Stewart
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of each2Maritime Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook .

I confirm that I and the Academy Trust 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 .

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 EFA.



Lorraine Stewart
Accounting Officer

Date: 16 December 2014

REACH2MARITIME ACADEMY TRUST
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 of the Charities SORP;
- make judgments 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;
- 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 grants received from EFA/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 16 December 2014 and signed on its behalf by:



David Mason
Chair of Trustees

REACH2MARITIME ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF REACH2MARITIME ACADEMY TRUST

We have audited the financial statements of Reach2Maritime Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy'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 academy's members those matters we are required to state to them in an Auditors' 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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

REACH2MARITIME ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF REACH2MARITIME ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.

 for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
16 December 2014

REACH2MARITIME ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2MARITIME ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 May 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reach2Maritime Academy Trust during the year 1 September 2013 to 31 August 2014 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 Reach2Maritime Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Reach2Maritime Academy Trust and EFA 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 Reach2Maritime Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF REACH2MARITIME ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Reach2Maritime Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 year 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. 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's income and expenditure.

REACH2MARITIME ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2MARITIME ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

 for Landau Baker Limited

Michael Durst (Senior academy auditor), for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

16 December 2014

REACH2MARITIME ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | - | - | - | - | 66,000 |
| Activities for generating funds | 3 | - | 141,962 | - | 141,962 | 99,000 |
| Investment income | 4 | 2,968 | - | - | 2,968 | 3,000 |
| Incoming resources from charitable activities | 5 | - | 3,282,554 | 18,095 | 3,300,649 | 3,196,000 |
| TOTAL INCOMING RESOURCES | | 2,968 | 3,424,516 | 18,095 | 3,445,579 | 3,364,000 |
| RESOURCES EXPENDED | | | | | | |
| Charitable activities | | - | 3,113,306 | 188,453 | 3,301,759 | 3,078,344 |
| Governance costs | 6 | - | 83,333 | - | 83,333 | 38,000 |
| TOTAL RESOURCES EXPENDED | 9 | - | 3,196,639 | 188,453 | 3,385,092 | 3,116,344 |
| NET INCOMING RESOURCES BEFORE REVALUATIONS | | 2,968 | 227,877 | (170,358) | 60,487 | 247,656 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (225,000) | - | (225,000) | (7,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 2,968 | 2,877 | (170,358) | (164,513) | 240,656 |
| Total funds at 1 September 2013 | | 201,453 | 63,608 | 11,096,595 | 11,361,656 | 11,121,000 |
| TOTAL FUNDS AT 31 AUGUST 2014 | | 204,421 | 66,485 | 10,926,237 | 11,197,143 | 11,361,656 |

All of the academy's activities derive from acquisitions in the current financial year.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 44 form part of these financial statements.

REACH2MARITIME ACADEMY TRUST
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REGISTERED NUMBER: 07739392

BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £ | 2014 £ | 2013 £ |
|---|------|-------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | |
| Tangible assets | 17 | | 10,864,291 | 10,997,554 |
| CURRENT ASSETS | | | | |
| Debtors | 18 | 255,430 | 153,645 | |
| Cash at bank and in hand | | 1,143,099 | 917,494 | |
| | | <u>1,398,529</u> | <u>1,071,139</u> | |
| CREDITORS: amounts falling due within one year | 19 | (181,677) | (89,037) | |
| NET CURRENT ASSETS | | | <u>1,216,852</u> | <u>982,102</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>12,081,143</u> | <u>11,979,656</u> |
| Defined benefit pension scheme liability | 25 | (884,000) | (884,000) | (618,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u><u>11,197,143</u></u> | <u><u>11,361,656</u></u> |
| FUNDS OF THE ACADEMY | | | | |
| Restricted funds: | | | | |
| Restricted funds | 20 | 950,485 | 681,608 | |
| Restricted fixed asset funds | 20 | 10,926,237 | 11,096,595 | |
| Restricted funds excluding pension liability | | <u>11,876,722</u> | <u>11,778,203</u> | |
| Pension reserve | | <u>(884,000)</u> | <u>(618,000)</u> | |
| Total restricted funds | | | <u>10,992,722</u> | <u>11,160,203</u> |
| Unrestricted funds | 20 | | <u>204,421</u> | <u>201,453</u> |
| TOTAL FUNDS | | | <u><u>11,197,143</u></u> | <u><u>11,361,656</u></u> |

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2014 and are signed on their behalf, by:



David Mason
Chair of Trustees

The notes on pages 27 to 44 form part of these financial statements.

REACH2MARITIME ACADEMY TRUST
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

| | Note | 2014 £ | 2013 £ |
|---|------|----------------|----------------|
| Net cash flow from operating activities | 22 | 265,668 | 247,656 |
| Returns on investments and servicing of finance | 23 | (2,968) | - |
| Capital expenditure and financial investment | 23 | (37,095) | - |
| INCREASE IN CASH IN THE YEAR | | 225,605 | 247,656 |

All of the cash flows are derived from acquisitions in the current financial year.

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

| | 2014 £ | 2013 £ |
|--|------------------|----------------|
| Increase in cash in the year | 225,605 | 247,656 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 225,605 | 247,656 |
| Net funds at 1 September 2013 | 917,494 | 669,838 |
| NET FUNDS AT 31 AUGUST 2014 | 1,143,099 | 917,494 |

The notes on pages 27 to 44 form part of these financial statements.

REACH2MARITIME ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-------------------------------|---|----------|
| Short-term leasehold property | - | 50 years |
| Fixtures and fittings | - | 4 years |
| Computer equipment | - | 3 years |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.7 Taxation

The academy 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 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.

1.8 Pensions

Retirement benefits to employees of the academy 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.

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 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 quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | - | - | - | 66,000 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-----------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Trips Income | - | 15,727 | 15,727 | 51,000 |
| Other income | - | 74,751 | 74,751 | - |
| Catering Income | - | 51,484 | 51,484 | 48,000 |
| | <u>-</u> | <u>141,962</u> | <u>141,962</u> | <u>99,000</u> |

4. INVESTMENT INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment Income | <u>2,968</u> | <u>-</u> | <u>2,968</u> | <u>3,000</u> |

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Educational Operations | <u>-</u> | <u>3,300,649</u> | <u>3,300,649</u> | <u>3,196,000</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

REACHMaritime Academy Trust

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA revenue grants | | | | |
| General Annual Grant | - | 2,687,622 | 2,687,622 | 2,703,000 |
| Pupil Premium Grant | - | 9,750 | 9,750 | 93,000 |
| Other Income | - | 18,095 | 18,095 | 9,000 |
| Early Years funding | - | 406,168 | 406,168 | 154,000 |
| | - | 3,121,635 | 3,121,635 | 2,959,000 |
| Other government grants | | | | |
| Other Government Grant | - | 179,014 | 179,014 | 237,000 |
| | - | 179,014 | 179,014 | 237,000 |
| | - | 3,300,649 | 3,300,649 | 3,196,000 |

6. GOVERNANCE COSTS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Auditors' Remuneration | - | 5,880 | 5,880 | 7,000 |
| Governance Auditors' non audit costs | - | 4,401 | 4,401 | 7,000 |
| Other Professional Fees | - | 15,637 | 15,637 | 23,000 |
| Start Up and Conversion Costs | - | 57,076 | 57,076 | - |
| Governance - Trustees expenses reimbursed | - | 339 | 339 | 1,000 |
| | - | 83,333 | 83,333 | 38,000 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. DIRECT COSTS

| | Educational Operations £ | Total 2014 £ | Total 2013 £ |
|---------------------------------|--------------------------------|--------------------|--------------------|
| Pension income | 23,000 | 23,000 | 22,000 |
| Educational Supplies & Services | 165,423 | 165,423 | 131,000 |
| Depreciation | - | - | 147,000 |
| Staff Development | 31,478 | 31,478 | 24,000 |
| Other direct costs | - | - | 36,000 |
| Educational Consultancy | 62,508 | 62,508 | 42,000 |
| Supply Teaching Costs | 15,153 | 15,153 | - |
| Wages and Salaries | 1,146,858 | 1,146,858 | 1,467,000 |
| National Insurance | 84,841 | 84,841 | 108,000 |
| Pension Cost | 153,654 | 153,654 | 202,000 |
| | <u>1,682,915</u> | <u>1,682,915</u> | <u>2,179,000</u> |

8. SUPPORT COSTS

| | Educational Operations £ | Total 2014 £ | Total 2013 £ |
|-------------------------|--------------------------------|--------------------|--------------------|
| Repairs & Maintenance | 15,929 | 15,929 | - |
| Recruitment & Support | 27,165 | 27,165 | 40,000 |
| Maintenance of Premises | 69,734 | 69,734 | 147,000 |
| Water & Energy Cost | 35,403 | 35,403 | 39,000 |
| Insurance | 35,607 | 35,607 | 16,000 |
| Catering Expenses | 117,694 | 117,694 | 124,000 |
| Other Support Cost | 72,506 | 72,506 | 58,344 |
| Supply Teaching Costs | 17,626 | 17,626 | 308,000 |
| Technology Costs | 62,822 | 62,822 | 40,000 |
| Cleaning | 59,339 | 59,339 | 61,000 |
| Rent & Rates | 18,658 | 18,658 | 29,000 |
| Security and Transport | 3,310 | 3,310 | 3,000 |
| Wages and Salaries | 730,518 | 730,518 | (3,000) |
| National Insurance | 37,918 | 37,918 | - |
| Pension Cost | 126,162 | 126,162 | - |
| Depreciation | 188,453 | 188,453 | 37,000 |
| | <u>1,618,844</u> | <u>1,618,844</u> | <u>899,344</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. RESOURCES EXPENDED

| | Staff costs | Non Pay Premises | Expenditure Other costs | Total | Total |
|--|------------------|------------------|-------------------------|------------------|------------------|
| | 2014 | 2014 | 2014 | 2014 | 2013 |
| | £ | £ | £ | £ | £ |
| Direct Costs - Educational Operations | 1,418,132 | - | 264,783 | 1,682,915 | 2,179,000 |
| Support Costs - Educational Operations | 894,598 | 35,886 | 688,360 | 1,618,844 | 899,344 |
| Charitable activities | 2,312,730 | 35,886 | 953,143 | 3,301,759 | 3,078,344 |
| Governance | - | - | 83,333 | 83,333 | 38,000 |
| | 2,312,730 | 35,886 | 1,036,476 | 3,385,092 | 3,116,344 |

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly | Support costs | Total | Total |
|------------------------|--------------------------------|---------------|-----------|-----------|
| | 2014 | 2014 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Educational Operations | 1,682,915 | 1,618,844 | 3,301,759 | 3,078,344 |

11. NET INCOMING RESOURCES

This is stated after charging:

| | 2014 | 2013 |
|--|---------|--------|
| | £ | £ |
| Depreciation of tangible fixed assets: - owned by the charity | 188,453 | 37,000 |
| Auditors' remuneration | 5,880 | 7,000 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. STAFF

a. Staff costs

Staff costs were as follows:

| | 2014 £ | 2013 £ |
|-------------------------------|------------------|------------------|
| Wages and salaries | 1,877,376 | 1,467,000 |
| Social security costs | 122,759 | 108,000 |
| Other pension costs (Note 25) | 279,816 | 199,000 |
| | <u>2,279,951</u> | <u>1,774,000</u> |
| Supply teacher costs | 32,779 | 130,000 |
| | <u>2,312,730</u> | <u>1,904,000</u> |

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

| | 2014 No. | 2013 No. |
|-----------------------------------|-------------|-------------|
| Teachers | 19 | 17 |
| Education and other support staff | 32 | 25 |
| Management | 5 | 5 |
| | <u>56</u> | <u>47</u> |

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

| | 2014 No. | 2013 No. |
|-------------------------------|-------------|-------------|
| In the band £70,001 - £80,000 | 0 | 1 |
| In the band £80,001 - £90,000 | 1 | 0 |
| | <u>1</u> | <u>1</u> |

The above employee participated in the Teachers' Pension Scheme. During the year, employer pension contributions amounted to £11,332 (2013: £11,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. CENTRAL SERVICES

REACH2 Limited has provided the following central services to its academies during the year:

- Human Resources (HR) support services
- Financial Support
- Monitoring of performance and standards

REACH2 Limited charges for these services on the following basis:

1.85% of Budget Share and Education Services Grant Income.

The actual amounts charged during the year was as follows:

| | |
|------------------|---------------|
| | 2014 |
| | £ |
| Tidemill Academy | 49,848 |

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 1 Trustee (2013 - 1) in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

| | | |
|---|--------------|--------------|
| | 2014 | 2013 |
| | £'000 | £'000 |
| L Stewart, Headteacher & Accounting Officer | 80-85 | 75-80 |

During the year ended 31 August 2014, expenses totalling £339 (2013 - £1000) were reimbursed to 1 Trustee (2013 - 5).

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,325 (2013 - £1,325). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

16. OTHER FINANCE INCOME

| | 2014 £ | 2013 £ |
|--|-----------------|-----------------|
| Expected return on pension scheme assets | 24,000 | 12,000 |
| Interest on pension scheme liabilities | (47,000) | (34,000) |
| | <u>(23,000)</u> | <u>(22,000)</u> |

17. TANGIBLE FIXED ASSETS

| | Short-term leasehold property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|--|-------------------------------|----------------------------|-------------------|
| Cost | | | | |
| At 1 September 2013 | 11,174,040 | 7,458 | - | 11,181,498 |
| Additions | - | 28,593 | 26,597 | 55,190 |
| At 31 August 2014 | <u>11,174,040</u> | <u>36,051</u> | <u>26,597</u> | <u>11,236,688</u> |
| Depreciation | | | | |
| At 1 September 2013 | 182,452 | 1,492 | - | 183,944 |
| Charge for the year | 182,452 | 2,060 | 3,941 | 188,453 |
| At 31 August 2014 | <u>364,904</u> | <u>3,552</u> | <u>3,941</u> | <u>372,397</u> |
| Net book value | | | | |
| At 31 August 2014 | <u>10,809,136</u> | <u>32,499</u> | <u>22,656</u> | <u>10,864,291</u> |
| At 31 August 2013 | <u>10,991,588</u> | <u>5,966</u> | <u>-</u> | <u>10,997,554</u> |

18. DEBTORS

| | 2014 £ | 2013 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 18,838 | - |
| Amounts owed by group undertakings | 922 | - |
| Other debtors | 43,675 | 65,581 |
| Prepayments and accrued income | 191,995 | 88,064 |
| | <u>255,430</u> | <u>153,645</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. CREDITORS:
Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------------|----------------|---------------|
| Trade creditors | 11,347 | 17,625 |
| Other taxation and social security | 47,231 | - |
| Other creditors | 2,644 | 17,625 |
| Accruals and deferred income | 120,455 | 53,787 |
| | <u>181,677</u> | <u>89,037</u> |

20. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Gains/ (Losses) £ | Carried Forward £ |
|--|-------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | |
| General Funds - all funds | 201,453 | 2,968 | - | - | 204,421 |
| Restricted funds | | | | | |
| Restricted Funds - all funds | 681,608 | 3,424,516 | (3,155,639) | - | 950,485 |
| Pension reserve | (618,000) | - | (41,000) | (225,000) | (884,000) |
| | <u>63,608</u> | <u>3,424,516</u> | <u>(3,196,639)</u> | <u>(225,000)</u> | <u>66,485</u> |
| Restricted fixed asset funds | | | | | |
| Restricted Fixed Asset Funds - all funds | 11,096,595 | 18,095 | (188,453) | - | 10,926,237 |
| Total restricted funds | <u>11,160,203</u> | <u>3,442,611</u> | <u>(3,385,092)</u> | <u>(225,000)</u> | <u>10,992,722</u> |
| Total of funds | <u>11,361,656</u> | <u>3,445,579</u> | <u>(3,385,092)</u> | <u>(225,000)</u> | <u>11,197,143</u> |

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

Restricted Fixed Assets funds relate to capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have arisen through revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds relates to investment income during the period.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20. STATEMENT OF FUNDS (continued)

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 2014.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

| | Total £ |
|-----------------------------|------------|
| Tidemill Academy | 1,154,906 |
| Restricted fixed asset fund | 10,926,237 |
| Pension reserve | (884,000) |
| Total | 11,197,143 |

Analysis of academies by cost

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciatio n £ | Total £ |
|------------------|---|--------------------------------------|------------------------------|---|------------|
| Tidemill Academy | 1,418,132 | 894,598 | 165,423 | 718,486 | 3,196,639 |

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| General funds | 201,453 | 2,968 | - | - | 204,421 |
| Restricted funds | 63,608 | 3,424,516 | (3,196,639) | (225,000) | 66,485 |
| Restricted fixed asset funds | 11,096,595 | 18,095 | (188,453) | - | 10,926,237 |
| | 11,361,656 | 3,445,579 | (3,385,092) | (225,000) | 11,197,143 |

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 10,864,291 | 10,864,291 | 10,997,554 |
| Current assets | 204,421 | 1,132,162 | 61,946 | 1,398,529 | 1,071,139 |
| Creditors due within one year | - | (181,677) | - | (181,677) | (89,037) |
| Provisions for liabilities and charges | - | (884,000) | - | (884,000) | (618,000) |
| | <u>204,421</u> | <u>66,485</u> | <u>10,926,237</u> | <u>11,197,143</u> | <u>11,361,656</u> |

22. NET CASH FLOW FROM OPERATING ACTIVITIES

| | Continuing £ | Discontinued £ | 2014 Total £ | 2013 £ |
|---|-----------------|-------------------|--------------------|----------------|
| Net incoming resources before revaluations | 60,487 | - | 60,487 | 247,656 |
| Returns on investments and servicing of finance | 2,968 | - | 2,968 | - |
| Depreciation of tangible fixed assets | 188,453 | - | 188,453 | - |
| Capital grants from DfE | (18,095) | - | (18,095) | - |
| Increase in debtors | (101,785) | - | (101,785) | - |
| Increase in creditors | 92,640 | - | 92,640 | - |
| FRS 17 adjustments | 41,000 | - | 41,000 | - |
| Net cash inflow from operations | | | <u>265,668</u> | <u>247,656</u> |

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2014 £ | 2013 £ |
|--|----------------|-----------|
| Returns on investments and servicing of finance | | |
| Interest received | <u>(2,968)</u> | <u>-</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | 2014 £ | 2013 £ |
|---|-----------------|-----------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (55,190) | - |
| Capital grants from DfE | 18,095 | - |
| Net cash outflow capital expenditure | (37,095) | - |

24. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2013 £ | Cash flow £ | Other non-cash changes £ | 31 August 2014 £ |
|---------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 917,494 | 225,605 | - | 1,143,099 |
| Net funds | 917,494 | 225,605 | - | 1,143,099 |

25. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Lewisham. Both are 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 2004 and of the LGPS 31 August 2014.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure

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25. PENSION COMMITMENTS (continued)

(including the cost of pensions' 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 actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £130,000, of which employer's contributions totalled £100,000 and employees' contributions totalled £30,000. The agreed contribution rates for future years are 7% for employers and 3% for employees.

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.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

| | 2014 £ | 2013 £ |
|-------------------------------------|-----------------------------|-----------------------------|
| Present value of funded obligations | (1,377,000) | (958,000) |
| Fair value of scheme assets | 493,000 | 340,000 |
| | <u> </u> | <u> </u> |
| Net liability | <u>(884,000)</u> | <u>(618,000)</u> |

The amounts recognised in the Statement of financial activities are as follows:

| | 2014 £ | 2013 £ |
|----------------------------------|-----------------------------|-----------------------------|
| Current service cost | (118,000) | (94,000) |
| Interest on obligation | (47,000) | (34,000) |
| Expected return on scheme assets | 24,000 | 12,000 |
| | <u> </u> | <u> </u> |
| Total | <u>(141,000)</u> | <u>(116,000)</u> |

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25. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

| | 2014 £ | 2013 £ |
|--------------------------------------|------------------|----------------|
| Opening defined benefit obligation | 958,000 | 775,000 |
| Current service cost | 118,000 | 94,000 |
| Interest cost | 47,000 | 34,000 |
| Contributions by scheme participants | 30,000 | 27,000 |
| Actuarial Losses | 225,000 | 28,000 |
| Benefits paid | (1,000) | - |
| | <u>1,377,000</u> | <u>958,000</u> |

Movements in the fair value of the academy's share of scheme assets:

| | 2014 £ | 2013 £ |
|-------------------------------------|----------------|----------------|
| Opening fair value of scheme assets | 340,000 | 183,000 |
| Expected return on assets | 24,000 | 12,000 |
| Actuarial gains and (losses) | - | 21,000 |
| Contributions by employer | 100,000 | 97,000 |
| Contributions by employees | 30,000 | 27,000 |
| Benefits paid | (1,000) | - |
| | <u>493,000</u> | <u>340,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £225,000 (2013 - £7,000).

The academy expects to contribute £158,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | 2014 | 2013 |
|----------|--------|--------|
| Equities | 6.40 % | 6.70 % |
| Bonds | 3.30 % | 4.00 % |
| Property | 4.50 % | 4.70 % |
| Cash | 3.30 % | 3.60 % |

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | 2014 | 2013 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.70 % | 4.60 % |
| Expected return on scheme assets at 31 August | 5.60 % | 5.90 % |
| Rate of increase in salaries | 4.50 % | 5.10 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.80 % |

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25. PENSION COMMITMENTS (continued)

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

| | 2014 | 2013 |
|----------------------|------|------|
| Retiring today | | |
| Males | 21.7 | |
| Females | 24.0 | |
| Retiring in 20 years | | |
| Males | 24.4 | |
| Females | 26.7 | |

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

| | 2014 £ | 2013 £ |
|--|-------------|-----------|
| Defined benefit obligation | (1,377,000) | (958,000) |
| Scheme assets | 493,000 | 340,000 |
| Deficit | (884,000) | (618,000) |
| Experience adjustments on scheme liabilities | (225,000) | (28,000) |
| Experience adjustments on scheme assets | - | 21,000 |

26. 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, transactions may take place with organisations in which a trustee has 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.

No other related party transactions took place in the period of account.

27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

REACH2 Limited is the ultimate parent undertaking and controlling party. As at 31 August 2014, an amount of £922 was due from REACH2 Limited.