

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**LANDAU BAKER LIMITED**

**Chartered Accountants & Statutory Auditors**

**Mountcliff House**

**154 Brent Street**

**London**

**NW4 2DR**

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**REACH2MARITIME ACADEMY TRUST**  
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**CONTENTS**

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	Page
<b>Reference and administrative details of the academy, its trustees and advisers</b>	1
<b>Trustees' report</b>	2 - 10
<b>Governance statement</b>	11 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Trustees' responsibilities statement</b>	16
<b>Independent auditors' report</b>	17 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities</b>	21 - 22
<b>Balance sheet</b>	23
<b>Cash flow statement</b>	24
<b>Notes to the financial statements</b>	25 - 43

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**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Members**

Peter Little  
David Rossdale  
Hillyfield Primary Academy

**Trustees**

Victoria Slater (resigned 14 July 2015)<sup>1</sup>  
Steve Lancashire, REAch2<sup>1</sup>  
Cathie Paine, REAch2<sup>1</sup>  
Dean Ashton, REAch2 (resigned 16 December 2014)<sup>1</sup>  
Lorraine Stewart, Headteacher & Accounting Officer<sup>1</sup>  
David Mason, Chair of Trustees<sup>1</sup>  
Peter Skinner, Trustee<sup>1</sup>  
Gill Ellyard, REAch2<sup>1</sup>  
Kate Higgins (appointed 16 December 2014)<sup>1</sup>

<sup>1</sup> Director

**Company registered number**

07739392

**Principal and registered office**

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

**Company secretary**

Veale Wasbrough Vizards LLP

**Chief executive officer**

Steve Lancashire

**Independent auditors**

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

**Solicitors**

Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

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**REACH2MARITIME ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31st August 2015. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The trust operates one primary academy in the London Borough of Lewisham, Tidemill Academy. Its academy has a pupil capacity of 436 (including a 16 place Speech & Language Resource Base) and had 419 on roll in the school census on 31st October 2014. Tidemill is also the lead school in the Endeavour Teaching School alliance.

### **Structure, governance and management**

#### **a. CONSTITUTION**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 12 August 2011) are the primary governing documents of the academy trust. The trustees of REAch2Maritime Academy Trust are also the directors of the charitable company for the purpose of company law. The Charitable Company is known as REAch2Maritime Academy Trust.

The ultimate parent undertaking and controlling party is REAch2 Limited.

Details of the trustees who served during the year are included in the reference and administrative details on page 1.

The principal activity of the academy is to advance, for the public benefit, education in Lewisham by maintaining and operating REAch2 Maritime Academy Trust.

#### **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 amounts as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

#### **c. TRUSTEES' INDEMNITIES**

Subject to the provisions of the Companies Act, every trustee 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 management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the articles of association and funding agreement as follows:-

- 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

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**REACH2MARITIME ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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- 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 trustees unless the Local Governing Bodies each have at least two Parent Trustees
  - 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 trustee 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 trustee any trustee 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 REAch2Maritime Trustees held four board meetings. The Local Governing Body of Tidemill Academy held five full governing body meetings. The training and induction provided for new trustees depends on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of the academy and a chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

**f. ORGANISATIONAL STRUCTURE**

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives and who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation, which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

The Headteacher is directly responsible for the day to day running of the academy and is assisted by the senior leadership team. Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Headteacher assumes the role of the Accounting Officer.

**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.”

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**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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- “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.”

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.

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, personnel, payroll, audit and responsible officer services. Services that are directly provided or procured by the academy trust from REACh2 Ltd and paid for by the academy through a 3.5% percentage retention of the academy’s monthly EFA income include school improvement services and governance support.

## **Objectives and Activities**

### **a. OBJECTS AND AIMS**

The principal object and activity of the academy is to provide a broad and balanced education for pupils of all abilities in the Lewisham area.

The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

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,

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**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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.

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The academy has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:

**Effectiveness of Leadership & Management**

- To ensure continual high impact of middle leaders through development of subject leaders & phase leaders.

**Quality of Teaching, Learning & Assessment**

- To fully implement and embed assessment without levels.
- To lead other schools in developing and improving the educational opportunities for all children, as a National Teaching School (Endeavour Teaching School Alliance)

**Personal Development, Behaviour & Welfare**

- To improve punctuality across the school
- To improve pupil and parent knowledge and understanding of abuse and exploitation, including prevention, recognition of signs and reporting.

**Outcomes for pupils**

- Further reduce the gap between boys and girls at age-related expectation (met) in reading and writing in EYFS, KS1 & KS2.

The main activities for achieving objectives the academy will undertake will be:

- Use a range of professional development opportunities to develop middle leaders including mentoring, coaching, internal and external training and joining professional bodies.
- To embed assessment without levels (AWL) through REAch2 and Tidemill training sessions, five moderation sessions with cluster schools, monitor and review the effectiveness and accuracy of AWL making adjustments, as needed.
- Lead improvement in other schools through Endeavour Teaching School Alliance by planning and facilitating high quality professional development programmes, leading School Direct, training and brokering Specialist Leaders of Education, enabling schools to contribute to research and development.
- Improving punctuality by having an increased focus on tracking punctuality, increasing amount of support available from the family liaison officer, raising awareness with parents about the positive impact on learning and well-being of excellent punctuality.
- Increasing parent and pupil knowledge of ways to stay safe by leading workshops, using external experts, updating the Safeguarding Policy according to the Prevent strategy and running Safer School Week.
- Improving outcomes in maths, reading and writing through CPD and staff conference focus on accessing the raised expectations in the new curriculum, additional after school clubs for pupils, additional Saturday and Easter school, targeted parent workshops, increased 'Stay & Play' sessions from Nursery to year 2, World Book Week, 'buddy systems' for learning activities, targeted spending of the Pupil Premium Grant (see PPG Report). Tidemill will also be creating two new learning spaces to enable targeted group teaching.

The Academy's vision links with REAch2's vision to build an ethos of:

- Every child is capable of extraordinary achievement.
- For any child to realise their inner potential they need an environment and adult role models that support their love and enjoyment of learning.

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**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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- Every child has an absolute right to an equal opportunity to flourish in a REAch2 academy.
- Our pupils will develop the skills, knowledge and attitude to realise their own dreams through a positive contribution to their community and wider society.
- Self-realisation and positive contribution stem from a confidence and strength in one's own identity that allows us to embrace and respect the identity of other individuals and groups in our community and wider society.
- The long-term well-being of our pupils is dependent on a sustainable economy, society and environment. We need to teach our children to be able to contribute to achieving that sustainability as adults.
- It is the responsibility of all of the adult staff in REAch2 Academies to remove the barriers to each individual child's development and create the conditions in which they are able to love and enjoy learning.
- It is the responsibility of each REAch2 academy to reach out and raise and support the aspiration of their community to believe in their children's potential.

**c. PUBLIC BENEFIT**

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an academy we make the best use of our skills, expertise and experience with regards to the local community. Some examples of this are:

- Raising money for local, national and international charities
- Campaigning for road safety improvements
- Working with the council and police to improve safety on the square
- Working with local charities to provide ESOL classes for parents

The academy trust have complied with their duty to have due regard to the guidance on public benefit published by the charities commission.

**STRATEGIC REPORT**

**a. KEY ACHIEVEMENTS AND PERFORMANCE (STANDARDS)**

Academy	Tidemill Academy
Date Joined Reach 2	01 September 2013
Sponsored Converter New Provision	Converter
Level 4+ Read%	89
Level 4+ Write %	84
Level 4+ Maths %	79
Level 4+ Read, Write & Maths (Combined)	77
Level 5+ Read %	54
Level 5+ Write %	35
Level 5+ Maths %	51
Level 5+ Read, Write & Maths (Combined)	33
2013/14 Comparison - 2014 Combined Level 4+	88
2013/14 Comparison - +/- 2014	-11
Above Floor - Y/N	YES

**b. KEY FINANCIAL PERFORMANCE INDICATORS**

Tidemill Academy joined Reach2 Maritime as a converter academy in September 2013. Its previous inspection

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**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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judged Overall Effectiveness to be 'outstanding'. Outcomes in July 2015, showed EYFS and KS1 pupils to be attaining in line with national (at a good level of development and age-related expectations), making good to outstanding progress. Outcomes for KS2 were largely at least in line with national, with many pupils attaining above this. Progress from KS1 to KS2 was significantly above national. The quality of teaching is 100% good or better with no inadequate. Attendance has remained above national averages as it has been for at least 8 years. The number of fixed term exclusions has remained similar with no permanent exclusions.

#### KS2

From 2013 to 2015, the proportions of pupils making 'expected' progress is at least in line with national and those pupils making 'more than expected' progress in reading, writing and maths was considerably higher than national. Attainment was at least in line with national averages with many pupils attaining above this (with the exception of maths at L4+ in 2015). Value added measures in 'all subjects' have been in the top 6% nationally (2013-2015). In 2015, from particularly low starting points, pupils have achieved strong outcomes with at least half the cohort making more than expected progress in reading, writing and maths.

#### KS1

The large majority of pupils made good or outstanding progress in reading, writing and maths, with most pupils making more than expected progress (except in year 2 maths last year where 45% made 'more than expected', 2015). All Tidemill children who achieved a good level of development in our Reception obtained 2b+ with the majority achieving above age related expectations. Despite the high levels of SEN in Year 2 in 2015, attainment at 'all subjects' has continued to rise. Attainment continues to improve over time in all subjects with attainment gaps closing significantly throughout the key stage. In 2015, when the attainment of the four pupils with significant learning needs are removed (EHCPs) from the cohort data, attainment in reading, writing and maths overall is broadly average.

#### Reception

Reception children generally start at a very low baseline and, due to the impact of the school's work, make outstanding progress over the school year (2013-2015). 100% of children who entered 'below' or 'at age related expectations' in reading, writing and maths achieved 'expected' or 'exceeding' against the early learning goals (2013-2015). Over 50% of our Reception pupils are new to Tidemill. In-school data analysis shows that pupils also make outstanding progress across the EYFS (Nursery baseline to Reception EYFSP\*). All groups make excellent progress.

Despite this attainment is below national, but in line with, due to starting points. Under the new end of year assessment guidelines, the number of pupils who achieved a 'good level of development' was; 2013, 56%, 2014, 54% and 2015 60%. Due to targeted strategies, attainment over time has improved.

### **a. FINANCIAL REVIEW**

During the period, EFA\LA grants totalled to £3,524,069 (2014: £3,300,649). Other income included within the restricted funds totalled to £142,908 (2014: £141,962). Restricted fund expenditure totalled to £3,541,509 (2014: £3,385,092).

The main source of unrestricted income is donations totalling £284 (2014:£0).

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 12 month period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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**REACH2MARITIME ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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 Academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover. Overall the academy has a healthy balance sheet and cashflow and will be using their reserves to support a rolling programme of ICT and furniture replacement, to further develop the learning environment through the building of two new intervention spaces and to fund additional resources detailed in the school development plan.

Following conversion to academy status the academy provided additional training for the School Business Manager and subsequently reviewed the structure to create a new Strategic Business Leader role in recognition of the additional levels of responsibility. Through the joining of REAch2Maritime, the school and the Board of Trustees also have access to the REAch2 Finance Director and the team of Regional Business Managers. Reviews have been undertaken of the financial processes and controls, budgets are reviewed and advice provided prior to budgets being proposed to the Board of Trustees and the REAch2 Finance Director has also made changes to the accounting package to improve forecasting and reporting. The Governors through the Resources Committee and Headteacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency. The Resources Committee also review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the academy.

#### **b. RESERVES POLICY**

The definition of reserves in the SORP is, 'that part of the charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- Permanent endowment funds
- Expendable endowment funds
- Restricted income funds
- Any part of unrestricted funds not readily available for spending specifically income funds which could only be realised by disposing of fixed assets held for charitable use.

Reserves are therefore resources the academy has or can make available to spend for any or all of the academy's purpose once it has met its commitments and covered its other planned expenditure. More specifically reserves are income which becomes available to the academy and is to be spent at the trustees' discretion in furtherance of any of the academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is free).

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review during the coming year whilst the new intervention spaces are being built to ensure sufficient reserves remain to support the principle object of the academy.

Total reserves at the end of the period amounted to £11,333,685 (2014 £11,197,143) This balance includes unrestricted funds (free reserves) of £206,495 (2014 £204,421) which is considered appropriate for the academy trust bearing in mind the planned building works, and restricted funds of £11,127,190 (2014: £10,992,722).

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit totalling to £923,000 (2014 £884,000) This deficit is included in restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there was a pension surplus included in the restricted funds this would not create an immediately realisable asset that can be released straight away and expended for the specific purpose of that fund.

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**REACH2MARITIME ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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Users should note that a surplus or deficit position of the pension scheme would generally result in a cashflow effect of the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years. The academy trust thus takes this fact into account when reviewing current business plans and budgets, and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the academy trusts budgeted annual income, whilst the deficit may not be eliminated there should be no actual cashflow deficit on the fund or direct impact on the unrestricted reserves of the academy trust due to the recognition of the deficit.

**c. INVESTMENT POLICY**

It should be noted that the academy trust has substantial powers with regards to investment due to cash balances held. Investment policies are determined at academy level, which 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 by academies, are the Special Interest Deposit accounts which are immediately available to draw against as of 31st August 2015 no investment were held.

**d. PRINCIPAL RISKS AND UNCERTAINTIES**

The Companies Act 2006 s417(3b) requires disclosure of the principle risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cashflow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. The trustees 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 governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the reserves policy above for the description of the defined benefit of the pension scheme which there was a deficit at 31st August 2015.

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**REACH2MARITIME ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The multi academy trust transferred its trade, assets and liabilities to a fellow subsidiary multi academy trust on 1 September 2015 and ceased trading on this date. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts. The funding agreement between transferee multi academy trust and the ultimate controlling party, REAch2 Limited, remains unchanged at 1 September 2015, albeit under a different group structure.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

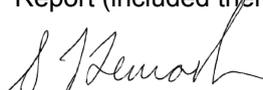
The academy trust and its trustees did not act as a custodian trustee during the current or previous period.

**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 company'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 company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees and the Strategic Report (included therein), as the company directors, on 22 December 2015 and signed on the board's behalf by:

  
**Steve Lancashire**  
**Chair of Trustees**

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**REACH2MARITIME ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**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 Tidemill Executive Principal, 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.

**GOVERNANCE**

Board of Directors

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 4 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
Cathie Paine, REAch2	1	2
Dean Ashton, REAch2	3	4
Lorraine Stewart, Headteacher & Accounting Officer	0	4
David Mason, Chair of Trustees	1	4
Peter Skinner, Trustee	4	4
Gill Ellyard, REAch2	4	4
Kate Higgins	4	4

**Governing Body**

The Tidemill Academy Local Governing Body met formally five times during the year. Attendance during the year at the Local Governing Body Meetings was as follows:-

Governor	Meetings Attended	Out of Possible
David Mason (Chair)	4	5
Lorraine Stewart (Principal)	5	5
Emma Jones (Parent Governor & Vice Chair)	3	5
Abi Coman-Walker (Community Governor)	3	5
Jonathan Mayes (Community Governor)	4	5
Martin Matarisse (Parent Governor)	4	5
Marlon Gibbins (resigned March 15)	1	2
Paulene Burton-Gayle (Parent Governor)	3	5
Graham Johnson (Community Governor)	3	5
Tara Bachracharya (resigned June 15)	2	3
Paul Doherty (Community Governor)	3	5
Lisa Turner (Staff Governor)	4	5
Carl Vernalls (Staff Governor)	5	5

The Governing Body at Tidemill Academy has also established two Governing Body Committees. The impact of each Committee is reviewed and monitored through the headline document that each committee reviews and produces on a termly basis. The trustees also performed a self-evaluation review of governance during the year. Key findings, actions taken and their impact are addressed and resolved by the academy.

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**REACH2MARITIME ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**Resources Committee**

The Resources Committee purpose is to monitor the financial, personnel and premises reports, consider the academy budget proposal and review the internal financial control and risk management systems. No significant issues to note were dealt during the year. The committee met six times during the year. Attendance at the meetings in the year was as follows:-

Governor	Meetings Attended	Out of Possible
Abi Coman-Walker (Chair)	5	6
Jonathan Mayes (Vice Chair)	3	6
David Mason (Chair of Governors)	3	6
Emma Jones	4	5
Paul Doherty	4	6
Lorraine Stewart (Principal)	6	6

**Standards & Community Committee**

The Standards & Community Committee review the academic achievement and school standards including any matters relating to the school's curriculum, oversee arrangements for individual trustees to take a leading role in specific areas of provision eg Safeguarding, SEN, Pupil Premium, Literacy, Numeracy, review the school's admission arrangement and policy and to review parental engagement and feedback. No significant issues to note were dealt with during the year. The committee met three times during the year. Attendance at the meetings in the year was as follows:-

Governor	Meetings Attended	Out of Possible
Emma Jones (Chair)	3	3
David Mason (Chair of Governors & Vice Chair)	3	3
Martin Matarisse	3	3
Paulene Burton-Gayle	1	3
Tara Bachracharya	0	1
Lisa Turner	3	3
Lorraine Stewart (Principal)	3	3

**REVIEW OF VALUE FOR MONEY**

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

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

- Moving away from centralised functions being outsourced to having a dedicated team who are centrally employed. This will enable more focus on our academies and a more proactive approach being taken.
- Focus for the next year will be around procurement of services that will benefit our academies by

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**GOVERNANCE STATEMENT (continued)**

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- achieving better quality, delivering economies of scale and consistent outcomes across our academies.
- Educational outcomes have improved by having a bespoke assessment system, which is monitored and reviewed regularly when looking at outcomes for children and the targeted focused need to ensure that children are realising their potential.

**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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Reach2Maritime Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The RO's role included giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the system of control and on the discharge of the governing body's financial responsibilities.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Dean Ashton as internal auditor, who in turn has delegated the testing to an internal provider, Strictly Education to perform the role of RO. Formal reports are issued to the internal auditor for review and consideration.

The internal auditor, Dean Ashton, 's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems

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**GOVERNANCE STATEMENT (continued)**

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- testing of purchase systems
- testing of control accounts / bank accounts
- testing of compliance with the scheme of delegation and internal controls

On a quarterly basis, the internal auditor, Dean Ashton, reports to the board of trustees, through the risk and audit committee on the operations of the system of control and on the discharge of the board of trustees' financial responsibilities.

The board can confirm that the internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues and thus no remedial action was required to be taken.

**REVIEW OF EFFECTIVENESS**

As accounting officer, the Executive 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 internal auditor;
- the work of the external auditors;
- 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 risk and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 22 December 2015 and signed on its behalf, by:



**Steve Lancashire**  
**Chair of Trustees**



**Lorraine Stewart**  
**Accounting Officer**

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**REACH2MARITIME ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Reach2Maritime 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 (2014).

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 (2014).

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: 22 December 2015

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**REACH2MARITIME ACADEMY TRUST**  
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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees (who act as governors of Reach2 Maritime Academy Trust and 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 22 December 2015 and signed on its behalf by:



**Steve Lancashire**  
**Chair of Trustees**

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**REACH2MARITIME ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REACH2MARITIME ACADEMY TRUST**

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We have audited the financial statements of Reach2Maritime Academy Trust for the year ended 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 2015 issued by the Education Funding Agency.

**EMPHASIS OF MATTER - GOING CONCERN**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.5 to the financial statements concerning the company's ability to continue as a going concern. The company ceased trading on 1 September 2015 and transferred its trade, assets and liabilities to a fellow subsidiary on this date. The financial statements do not include the adjustments that would

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**REACH2MARITIME ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REACH2MARITIME ACADEMY TRUST**

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result if the company was unable to continue as a going concern. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts.

**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.

**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.

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  
22 December 2015

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

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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 2014 to 2015, 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 2014 to 31 August 2015 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions

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

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by staff or related parties.  
• adherence to tendering policies.

**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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

22 December 2015

**REACH2MARITIME ACADEMY TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	284	-	-	284	-
Activities for generating funds	3	-	142,908	-	142,908	141,962
Investment income	4	1,790	-	-	1,790	2,968
Incoming resources from charitable activities	5	-	3,486,786	37,283	3,524,069	3,300,649
<b>TOTAL INCOMING RESOURCES</b>		<b>2,074</b>	<b>3,629,694</b>	<b>37,283</b>	<b>3,669,051</b>	<b>3,445,579</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities		-	3,260,696	211,885	3,472,581	3,301,759
Governance costs	6	-	68,928	-	68,928	83,333
<b>TOTAL RESOURCES EXPENDED</b>	9	-	<b>3,329,624</b>	<b>211,885</b>	<b>3,541,509</b>	<b>3,385,092</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>2,074</b>	<b>300,070</b>	<b>(174,602)</b>	<b>127,542</b>	<b>60,487</b>

**REACH2MARITIME ACADEMY TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	21	-	(51,348)	51,348	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>2,074</b>	<b>248,722</b>	<b>(123,254)</b>	<b>127,542</b>	<b>60,487</b>
Actuarial gains and losses on defined benefit pension schemes		-	9,000	-	9,000	(225,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>2,074</b>	<b>257,722</b>	<b>(123,254)</b>	<b>136,542</b>	<b>(164,513)</b>
<i>Total funds at 1 September 2014</i>		<i>204,421</i>	<i>66,485</i>	<i>10,926,237</i>	<i>11,197,143</i>	<i>11,361,656</i>
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>206,495</b>	<b>324,207</b>	<b>10,802,983</b>	<b>11,333,685</b>	<b>11,197,143</b>

All activities relate to discontinued operations.

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

The notes on pages 25 to 43 form part of these financial statements.

**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07739392**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	17		<b>10,802,983</b>		10,864,291
Investments	18		<b>1</b>		-
			<u>10,802,984</u>		<u>10,864,291</u>
<b>CURRENT ASSETS</b>					
Debtors	19	<b>273,029</b>		255,430	
Cash at bank and in hand		<b>1,620,672</b>		1,143,099	
		<u>1,893,701</u>		<u>1,398,529</u>	
<b>CREDITORS:</b> amounts falling due within one year	20	<b>(440,000)</b>		(181,677)	
<b>NET CURRENT ASSETS</b>			<u>1,453,701</u>		<u>1,216,852</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,256,685</u>		<u>12,081,143</u>
Defined benefit pension scheme liability	26		<b>(923,000)</b>		(884,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>11,333,685</u>		<u>11,197,143</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	21	<b>1,247,207</b>		950,485	
Restricted fixed asset funds	21	<b>10,802,983</b>		10,926,237	
Restricted funds excluding pension liability		<b>12,050,190</b>		11,876,722	
Pension reserve		<b>(923,000)</b>		(884,000)	
Total restricted funds			<u>11,127,190</u>		<u>10,992,722</u>
Unrestricted funds	21		<b>206,495</b>		204,421
<b>TOTAL FUNDS</b>			<u>11,333,685</u>		<u>11,197,143</u>

The financial statements were approved by the Trustees, and authorised for issue, on 22 December 2015 and are signed on their behalf, by:

  
**Steve Lancashire**  
**Chair of Trustees**

The notes on pages 25 to 43 form part of these financial statements.

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**REACH2MARITIME ACADEMY TRUST**  
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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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	Note	2015 £	2014 £
Net cash flow from operating activities	23	<b>592,658</b>	265,668
Returns on investments and servicing of finance	24	<b>(1,790)</b>	(2,968)
Capital expenditure and financial investment	24	<b>(113,294)</b>	(37,095)
Acquisitions and disposals	24	<b>(1)</b>	-
<b>INCREASE IN CASH IN THE YEAR</b>		<b>477,573</b>	225,605

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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	2015 £	2014 £
Increase in cash in the year	<b>477,573</b>	225,605
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>477,573</b>	225,605
Net funds at 1 September 2014	<b>1,143,099</b>	917,494
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>1,620,672</b>	1,143,099

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The notes on pages 25 to 43 form part of these financial statements.

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**REACH2MARITIME ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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 2014 to 2015 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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**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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**

As explained in note 27, the multi academy trust transferred its trade, assets and liabilities to a fellow subsidiary multi academy trust on 1 September 2015 and has ceased trading. As required by FRS18 Accounting Policies, the directors have prepared the financial statements on the basis that the multi academy trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £5,000 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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**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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 26, 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**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<i>Total funds 2014 £</i>
Donations	<b>284</b>	<b>-</b>	<b>284</b>	<b>-</b>

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Other income	-	90,551	90,551	74,751
Catering Income	-	35,141	35,141	51,484
Trips Income	-	17,216	17,216	15,727
	<u>-</u>	<u>142,908</u>	<u>142,908</u>	<u>141,962</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Investment Income	1,790	-	1,790	2,968
	<u>1,790</u>	<u>-</u>	<u>1,790</u>	<u>2,968</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Educational Operations	-	3,524,069	3,524,069	3,300,649
	<u>-</u>	<u>3,524,069</u>	<u>3,524,069</u>	<u>3,300,649</u>

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

**REAch2Maritime Academy Trust**

	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<i>Total funds 2014 £</i>
<b>DfE/EFA grants</b>			
General Annual Grant	2,692,369	2,692,369	2,710,213
Pupil Premium Grant	281,389	281,389	238,066
Capital Income	37,283	37,283	18,095
Other EFA Income	305,041	305,041	157,593
	<u>3,316,082</u>	<u>3,316,082</u>	<u>3,123,967</u>
<b>Other government grants</b>			
Other Government Grants	10,403	10,403	9,750
SEN funding	197,584	197,584	166,932
	<u>207,987</u>	<u>207,987</u>	<u>176,682</u>
	<u><u>3,524,069</u></u>	<u><u>3,524,069</u></u>	<u><u>3,300,649</u></u>

**6. GOVERNANCE COSTS**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<i>Total funds 2014 £</i>
Auditors' Remuneration	-	4,000	4,000	4,000
Auditors' Non Audit Costs	-	2,475	2,475	6,281
Other Professional Fees	-	62,453	62,453	72,713
Trustees expenses reimbursed	-	-	-	339
	<u>-</u>	<u>68,928</u>	<u>68,928</u>	<u>83,333</u>
	<u><u>-</u></u>	<u><u>68,928</u></u>	<u><u>68,928</u></u>	<u><u>83,333</u></u>

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**7. DIRECT COSTS**

	Educational Operations £	Total 2015 £	Total 2014 £
Educational Supplies & Services	149,043	149,043	165,423
Staff Development	33,100	33,100	31,478
Educational Consultancy	98,108	98,108	62,508
Supply Teaching Costs	40,575	40,575	15,153
Wages and salaries	1,150,467	1,150,467	1,146,858
National insurance	74,108	74,108	84,841
Pension cost	151,012	151,012	153,654
	<u>1,696,413</u>	<u>1,696,413</u>	<u>1,659,915</u>

**8. SUPPORT COSTS**

	Educational Operations £	Total 2015 £	Total 2014 £
Pension finance expense - LGPS	23,000	23,000	23,000
Repairs & Maintenance	11,039	11,039	15,929
Maintenance of Premises	113,958	113,958	96,899
Water & Energy Costs	51,886	51,886	35,403
Insurance	27,237	27,237	35,607
Catering	131,072	131,072	117,694
Other Support Costs	66,360	66,360	72,506
Supply Teaching Costs	20,249	20,249	17,626
Technology Costs	78,553	78,553	62,822
Cleaning	68,702	68,702	59,339
Rent & Rates	24,789	24,789	18,658
Security and Transport	4,676	4,676	3,310
Wages and salaries	752,348	752,348	730,518
National insurance	49,609	49,609	37,918
Pension cost	140,805	140,805	126,162
Depreciation	211,885	211,885	188,453
	<u>1,776,168</u>	<u>1,776,168</u>	<u>1,641,844</u>

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**9. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure Other costs	Total	<i>Total</i>
	2015	2015	2015	2014
	£	£	£	£
Direct Costs - Educational Operations	1,416,162	280,251	1,696,413	1,659,915
Support Costs - Educational Operations	963,011	813,157	1,776,168	1,641,844
<b>Charitable activities</b>	<b>2,379,173</b>	<b>1,093,408</b>	<b>3,472,581</b>	<b>3,301,759</b>
<b>Governance</b>	<b>-</b>	<b>68,928</b>	<b>68,928</b>	<b>83,333</b>
	<b>2,379,173</b>	<b>1,162,336</b>	<b>3,541,509</b>	<b>3,385,092</b>

**10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	<i>Total</i>
	2015	2015	2015	2014
	£	£	£	£
Educational Operations	1,696,413	1,776,168	3,472,581	3,301,759

**11. NET INCOMING RESOURCES**

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets: - owned by the charity	211,885	188,453
Auditors' remuneration	4,000	4,000
Auditors' remuneration - non-audit	2,475	6,281

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,902,815	1,877,376
Social security costs	123,717	122,759
Other pension costs (Note 26)	291,817	279,816
	<u>2,318,349</u>	<u>2,279,951</u>
Supply teacher costs	60,824	32,779
	<u>2,379,173</u>	<u>2,312,730</u>

**b. Staff numbers**

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

	2015 No.	2014 No.
Teachers	24	19
Education and other support staff	29	32
Management	5	5
	<u>58</u>	<u>56</u>

**c. Higher paid staff**

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

	2015 No.	2014 No.
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme.

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**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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 (ESG) Income.

The actual amounts charged during the year was as follows:

	<b>2015</b>
	<b>£</b>
Tidemill Academy	<b>49,198</b>

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**14. RELATED PARTY TRANSACTIONS- TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Lorraine Stewart (Headteacher & Accounting Officer):  
Remuneration £80,000 - £85,000 (2014: £80,000 - £85,000)  
Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

During the year, no Trustees (2014: 1 Trustee) received any reimbursement of expenses (2014: £339).

**15. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. In the prior year, the insurance provided cover up to £ 1,000,000 on any one claim and the cost for the period ended 31 August 2014 was £1,325. In the current period, the academy joined the Risk Protection Arrangement on 1 September 2014. The cost of this insurance is £25 per pupil, which cannot be divided into cover sections. The cost of this insurance totalled to £10,905 is included in the total insurance cost.

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**16. OTHER FINANCE INCOME**

	2015 £	2014 £
Expected return on pension scheme assets	30,000	24,000
Interest on pension scheme liabilities	(53,000)	(47,000)
	(23,000)	(23,000)

**17. TANGIBLE FIXED ASSETS**

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2014	11,174,040	36,051	26,597	11,236,688
Additions	-	33,743	116,834	150,577
At 31 August 2015	11,174,040	69,794	143,431	11,387,265
<b>Depreciation</b>				
At 1 September 2014	364,905	3,551	3,941	372,397
Charge for the year	182,452	8,685	20,748	211,885
At 31 August 2015	547,357	12,236	24,689	584,282
<b>Net book value</b>				
At 31 August 2015	10,626,683	57,558	118,742	10,802,983
<i>At 31 August 2014</i>	10,809,135	32,500	22,656	10,864,291

**18. FIXED ASSET INVESTMENTS**

	Trade investments £
<b>Market value</b>	
At 1 September 2014	-
Additions	1
At 31 August 2015	1

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**18. FIXED ASSET INVESTMENTS (continued)**

Investments at market value comprise:

	<b>2015</b>
	<b>£</b>
1 share in REAch2 Inspiration Limited	<b>1</b>

All the fixed asset investments are held in the UK

**19. DEBTORS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>24,459</b>	18,838
Amounts owed by group undertakings	-	922
Other debtors	<b>101,849</b>	43,675
Prepayments and accrued income	<b>146,721</b>	191,995
	<b>273,029</b>	255,430
	<b>273,029</b>	255,430

**20. CREDITORS:**  
**Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>198,784</b>	11,347
Other taxation and social security	<b>50,535</b>	47,231
Other creditors	<b>2,348</b>	2,644
Accruals and deferred income	<b>188,333</b>	120,455
	<b>440,000</b>	181,677
	<b>440,000</b>	181,677

	<b>£</b>
<b>Deferred income</b>	
Deferred income at 1 September 2014	<b>58,485</b>
Resources deferred during the year	<b>39,787</b>
Amounts released from previous years	<b>(58,485)</b>
Deferred income at 31 August 2015	<b>39,787</b>
	<b>39,787</b>

At the balance sheet date the academy trust was holding funds received in advance for EFA and Other Grants.

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**21. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	204,421	2,074	-	-	-	206,495
<b>Restricted funds</b>						
Restricted Funds - all funds	950,485	3,629,694	(3,281,624)	(51,348)	-	1,247,207
Pension reserve	(884,000)	-	(48,000)	-	9,000	(923,000)
	<u>66,485</u>	<u>3,629,694</u>	<u>(3,329,624)</u>	<u>(51,348)</u>	<u>9,000</u>	<u>324,207</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	10,926,237	37,283	(211,885)	51,348	-	10,802,983
Total restricted funds	<u>10,992,722</u>	<u>3,666,977</u>	<u>(3,541,509)</u>	<u>-</u>	<u>9,000</u>	<u>11,127,190</u>
Total of funds	<u><u>11,197,143</u></u>	<u><u>3,669,051</u></u>	<u><u>(3,541,509)</u></u>	<u><u>-</u></u>	<u><u>9,000</u></u>	<u><u>11,333,685</u></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.

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 2015.

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**21. STATEMENT OF FUNDS (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2015 were allocated as follows:

	<b>Total £</b>
Tidemill Academy	<b>1,453,702</b>
Restricted fixed asset fund	<b>10,802,983</b>
Pension reserve	<b>(923,000)</b>
Total	<b>11,333,685</b>

**Analysis of academies by cost**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total £</b>
Tidemill Academy	<b>1,416,162</b>	<b>963,011</b>	<b>149,043</b>	<b>801,408</b>	<b>3,329,624</b>

**SUMMARY OF FUNDS**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General funds	<b>204,421</b>	<b>2,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,495</b>
Restricted funds	<b>66,485</b>	<b>3,629,694</b>	<b>(3,329,624)</b>	<b>(51,348)</b>	<b>9,000</b>	<b>324,207</b>
Restricted fixed asset funds	<b>10,926,237</b>	<b>37,283</b>	<b>(211,885)</b>	<b>51,348</b>	<b>-</b>	<b>10,802,983</b>
	<b>11,197,143</b>	<b>3,669,051</b>	<b>(3,541,509)</b>	<b>-</b>	<b>9,000</b>	<b>11,333,685</b>

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	10,802,983	10,802,983	10,864,291
Trade investments	-	1	-	1	-
Current assets	206,495	1,687,206	-	1,893,701	1,398,529
Creditors due within one year	-	(440,000)	-	(440,000)	(181,677)
Provisions for liabilities and charges	-	(923,000)	-	(923,000)	(884,000)
	<u>206,495</u>	<u>324,207</u>	<u>10,802,983</u>	<u>11,333,685</u>	<u>11,197,143</u>

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before revaluations	127,542	60,487
Returns on investments and servicing of finance	1,790	2,968
Depreciation of tangible fixed assets	211,885	188,453
Capital grants from DfE	(37,283)	(18,095)
Increase in debtors	(17,599)	(101,785)
Increase in creditors	258,323	92,640
FRS 17 adjustments	48,000	41,000
<b>Net cash inflow from operations</b>	<u>592,658</u>	<u>265,668</u>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	(1,790)	(2,968)
	<u>(1,790)</u>	<u>(2,968)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(150,577)	(55,190)
Capital grants from DfE	37,283	18,095
<b>Net cash outflow capital expenditure</b>	<u>(113,294)</u>	<u>(37,095)</u>

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2015 £	2014 £
<b>Acquisitions and disposals</b>		
Purchase of fixed asset investments	(1)	-

**25. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,143,099	477,573	-	1,620,672
<b>Net funds</b>	<b>1,143,099</b>	<b>477,573</b>	<b>-</b>	<b>1,620,672</b>

**26. 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 2012 and of the LGPS 31 August 2015.

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.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the

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**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**26. PENSION COMMITMENTS (continued)**

level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £151,012 (2014: £153,654).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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 2015 was £148,000, of which employer's contributions totalled £116,000 and employees' contributions totalled £32,000. The agreed contribution rates for future years are 20.6% for employers and 5.5% - 8.5% 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.

The amounts recognised in the Balance sheet are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	<b>(1,578,000)</b>	<i>(1,377,000)</i>
Fair value of scheme assets	<b>655,000</b>	<i>493,000</i>
Net liability	<b>(923,000)</b>	<i>(884,000)</i>

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**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**26. PENSION COMMITMENTS (continued)**

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

	2015 £	2014 £
Current service cost	(141,000)	(118,000)
Interest on obligation	(53,000)	(47,000)
Expected return on scheme assets	30,000	24,000
	<u>(164,000)</u>	<u>(141,000)</u>
Total	<u>(164,000)</u>	<u>(141,000)</u>
Actual return on scheme assets	<u>14,000</u>	<u>49,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	1,377,000	958,000
Current service cost	141,000	118,000
Interest cost	53,000	47,000
Contributions by scheme participants	32,000	30,000
Actuarial (Gains)/losses	(25,000)	225,000
Benefits paid	-	(1,000)
	<u>1,578,000</u>	<u>1,377,000</u>
Closing defined benefit obligation	<u>1,578,000</u>	<u>1,377,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	493,000	340,000
Expected return on assets	30,000	24,000
Actuarial gains and (losses)	(16,000)	-
Contributions by employer	116,000	100,000
Contributions by employees	32,000	30,000
Benefits paid	-	(1,000)
	<u>655,000</u>	<u>493,000</u>
	<u>655,000</u>	<u>493,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(321,000) (2014 - £(330,000)).

The academy expects to contribute £119,000 to its Defined benefit pension scheme in 2016.

**REACH2MARITIME ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**26. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	<i>2014</i>
Equities	<b>70.00 %</b>	<i>71.00 %</i>
Bonds	<b>19.00 %</b>	<i>19.00 %</i>
Property	<b>9.00 %</b>	<i>8.00 %</i>
Cash	<b>2.00 %</b>	<i>2.00 %</i>

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

	<b>2015</b>	<i>2014</i>
Discount rate for scheme liabilities	<b>3.80 %</b>	<i>2.70 %</i>
Expected return on scheme assets at 31 August	<b>3.80 %</b>	<i>5.60 %</i>
Rate of increase in salaries	<b>4.60 %</b>	<i>4.50 %</i>
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	<i>2.70 %</i>

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

	<b>2015</b>	<i>2014</i>
Retiring today		
Males	<b>21.7</b>	<i>21.7</i>
Females	<b>24.0</b>	<i>24.0</i>
Retiring in 20 years		
Males	<b>24.4</b>	<i>24.4</i>
Females	<b>26.7</b>	<i>26.7</i>

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(1,578,000)</b>	<i>(1,377,000)</i>
Scheme assets	<b>655,000</b>	<i>493,000</i>
Deficit	<b>(923,000)</b>	<i>(884,000)</i>
Experience adjustments on scheme liabilities	<b>25,000</b>	<i>(225,000)</i>
Experience adjustments on scheme assets	<b>(16,000)</b>	<i>-</i>

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**REACH2MARITIME ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**27. 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.

Per FRS8, common control exists between the individual Reach2 Multi Academy Trusts. During the year, the Academy Trust invoiced:

REAch2 Croydon Academy Trust £2,316 (2014: £Nil)  
REAch2 Kent Academy Trust £10,650 (2014: £Nil)  
REAch2 Warwickshire Academy Trust £550 (2014: £Nil)  
REAch2 Sussex Academy Trust £4,985 (2014: £Nil)  
REAch2 Thames Valley Academy Trust £1,400 (2014: £Nil)  
REAch2 Staffordshire Academy Trust £1,650 (2014: £Nil)  
REAch2 Essex Academy Trust £5,800 (2014: £Nil)  
REAch2 Hertfordshire Academy Trust £550 (2014: £Nil)

During the year, the Academy Trust was invoiced the following:

REAch2 Croydon Academy Trust £51,894 (2014: £Nil)  
REAch2 Sussex Academy Trust £171 (2014: £Nil)

At 31 August 2015, the Academy Trust was owed £345 (2014: £Nil) by REAch2 Croydon Academy Trust and £2,100 (2014: £Nil) by REAch 2 Kent Academy Trust.

No other related party transactions took place in the period.

**28. POST BALANCE SHEET EVENTS**

The multi academy trust transferred its trade, assets and liabilities to a fellow subsidiary multi academy trust on 1 September 2015 and ceased trading on this date. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts. The funding agreement between transferee multi academy trust and the ultimate controlling party, REAch2 Limited, remains unchanged at 1 September 2015, albeit under a different group structure.

**29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

REAch2 Limited is the ultimate parent undertaking and controlling party. As at 31 August 2015, an amount of £Nil (2014: £922) was due from REAch2 Limited.

Management fee income receivable by REAch2 Limited from the academy amounted to £49,198 in the year (2014: £49,848).