

Company Registration Number: 07668923 (England & Wales)

COAST ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

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COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2019

Members	Mrs S Knapman Mr P Tape Ms L Williams Mrs C Tomms Mr J Taylor
Trustees	Mr J Taylor, Chair Mr K Kies, CEO Mr D Lockyer Mr G Nichols Mr T Stephens Mrs L Smith (appointed 9 th January 2019) Mr J Harrison Mrs S Bevan (appointed 12 December 2018) Mr D Cartwright-Lomax (resigned 7 th November 2018) Mr J Harrison (appointed 12 th December 2018)
Company registered number	07668923
Principal and registered office	Eden Park Primary School Eden Park Brixham Devon TQ5 9NH
Company secretary	S A Williscroft
Accounting Officer	K Kies
Senior management team	Mr K Kies, Executive Head & CEO Ms S Carter, Deputy Head Ms A Clayton, Assistant Head Ms E King, Head of School Ms D Mawbey, Assistant Head Ms M Oliver, Assistant Head Mr J Sharman, Deputy Head Mr C Hallett, Assistant Head Mr I Morgan, Head of School Mr S Ord, Head of School Mrs R Field, CFBO
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 50 The Terrace Torquay Devon TQ1 1DD
Solicitors	Browne Jacobson Minerva House Orchard Way Edginswell Park Torquay Devon TQ2 7FA

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy trust for pupils aged 2 to 11 in Torbay comprising 3 primary academies together with an Autistic provision. Its academies had a roll of 1321 pupils in the school census of October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Coast Academies are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019**

was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The academy trust has adopted a skills-based approach to governance and directors have been approached for the skills and experience that they can bring to the board. The trust is proactive in recruiting and has approached local businesses, higher education providers and professional consultants to recruit. The trust has also had great success using Academy Ambassadors to support recruitment. Membership structure rigidly follows the trust's articles of association.

Policies and Procedures Adopted for the Induction and Training of Trustees

Prior to joining all prospective directors meet with the CEO, the chair of the board and take part in a formal interview and selection process. Key policies and documentation are shared via our online platform and courses are offered in conjunction with bespoke training from our legal partners Browne and Jacobson. An induction check list ensures that all new governors are compliant.

Organisational Structure

The Board of Directors meets 4 times a year and is responsible for the overall strategic direction of the trust, holding the CEO to account for the standards and outcomes for pupils and ensuring best value. Academy Challenge Team members carry out an evidence gathering/school visits and spend time in each school analysing data, meeting with leaders and making comparisons between schools. Structured evidence forms are submitted to ensure that all governors are fully informed.

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Academy Challenge Team and other groups. It receives reports and recommendations from the Academy Challenge Team and monitors the activities through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows;

- The Academy Challenge Team for the Trust
- Finance Audit and Risk Committee – this is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from internal audit. It also incorporates the role of an audit committee along with management of risk.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to the Clerk to the Trustees, to approve the Annual Development Plan and all academy budgets.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academies by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academies to the school senior leaders.

The Academy Trust has a leadership structure which consists of the Trustees, Members, The Central Administration Team and the individual academy leadership Teams and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

All Trustees and local governors give their time freely and no Trustee or governor received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings together with national guidelines.

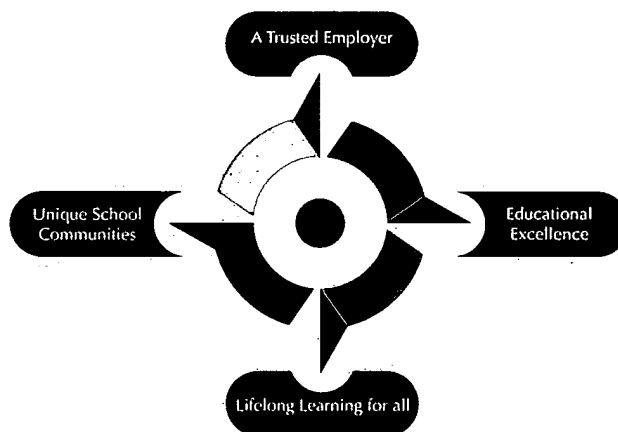
Connected Organisations, including Related Party Relationships

The Trust currently has no significant related party relationships or connected organisations.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools. The Trust's aims are set out through the Coast Academies "Compass" as follows:



TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

We provide, challenge, support and progression for all our employees and place high value on our integrity

We will support our employees and ensure we provide expert advice and guidance

We view every staff member as a leader and trust individuals to take responsibility, sometimes at a new level

We will challenge everyone to give their best all of the time

We will encourage all our staff to progress with their careers and will provide the security and confidence to those willing to take the next step

BACK ➤

We believe every young person is entitled to:

An excellent education

A purposeful curriculum, which is unique and reflects the school's geographical and cultural identity with strong links to the community and the outdoor environment

Experience a wide range of sports, and frequent creative opportunities within music and the arts

Strong emotional and pastoral care

Robust systems for monitoring teaching, learning and safeguarding

BACK ➤

We will encourage reflection and self-review through the use of coaching approaches

We will support and encourage young people and adults to understand how they learn and to believe that they can achieve

We will encourage national accreditation where appropriate

BACK ➤

We recognise the uniqueness of each school's ethos and approaches

We value and support successful partnerships with parents and families

We will keep each community safe by ensuring compliance and providing the best advice and policy

BACK ➤

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019**

Objectives, Strategies and Activities

Key priorities for the year are contained in our individual school Academy Development Plans which are available on the individual school websites.

The Academy Trust's key Priorities are

- To create a shared understanding of teaching and learning and ensure that governance has a direct impact on the quality of education
- Shared vision of education around the 'golden thread' of the curriculum
- Growing and developing the MAT
- Developing an IT strategy.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

As an Academy Trust we have a duty to support other schools. Informal support for a local school started during the summer of 2018 and has now been formalised with head of school from Eden Park providing a consultancy role one day per week.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019
STRATEGIC REPORT
Achievements and Performance

At Key Stage 1,

Attendance across the trust has improved over the last three years and persistent absence has reduced.

Overall attendance

2017-2018

95.5%

My Group

National

95.5%

95.3%

Persistent Absentees

My Group	National	Difference
8.9%	14.5%	-5.6%

⬇️ Down by 3.1% over previous three years

These figures show the average percentage of persistent absentees across all institutions in Coast Academies.

KS1 Outcomes 2018/19 for the trust
Phonics

Phonics: Achieving Expected Standard Y1

My Group	National	Difference
82.3%	81.8%	0.4%

⬇️ Down by 0.3% over previous three years

These figures show the percentage of students on roll who are achieving the expected standard in Y1 phonics screening across all institutions in Coast Academies compared with the national average for mainstream primary schools. This data is based on the 2019 Y1 phonics screening.

Our overall result for phonics has decreased slightly over the last 3 years but is still above national.

Reading, Writing and Maths KS1

Reading: Working at Expected Standard

My Group	National	Difference
74.8%	74.9%	-0.1%

⬆️ Up by 1.8% over previous three years

These figures show the percentage of students on roll who are working at the expected standard in reading across all institutions in Coast Academies compared with the national average for mainstream primary schools. This data is based on the 2019 KS1 SATs.

Writing: Working at Expected Standard

My Group	National	Difference
70.4%	69.2%	1.1%

⬆️ Up by 1.8% over previous three years

These figures show the percentage of students on roll who are working at the expected standard in writing across all institutions in Coast Academies compared with the national average for mainstream primary schools. This data is based on the 2019 KS1 SATs.

Maths: Working at Expected Standard



My Group	National	Difference
74.8%	75.6%	-0.8%

⬆️ Up by 1.3% over previous three years

These figures show the percentage of students on roll who are working at the expected standard in maths across all institutions in Coast Academies compared with the national average for mainstream primary schools. This data is based on the 2019 KS1 SATs.

Our reading writing and maths results are all at, or close to, national, they also show an improving picture across the trust.

KS2 Key headlines for 2018/19 for the trust

Reading, Writing (TA), Maths: Achieving Expected Standard			Reading, Writing (TA), Maths: Achieving Higher Standard		
My Group	National	Difference	My Group	National	Difference
56.6%	64.8%	-8.2%	7.5%	10.5%	-3.1%
 Up by 5.1% over previous three years			 Up by 1.5% over previous three years		
These figures show the percentage of students on roll who are achieving at the expected standard in reading, writing (TA), and maths across all institutions in Coast Academies compared with the national average for mainstream primary schools. This data is based on the 2019 KS2 SATs and Teacher Assessments.			These figures show the percentage of students on roll who are achieving at the higher standard in reading, writing (TA) and maths across all institutions in Coast Academies compared with the national average for mainstream primary schools. This data is based on the 2019 SATs and Teacher Assessments.		

These results show an overall improving picture but are still below national and our school improvement plans reflect this. It should be noted that the trust has faced significant leadership challenges this year due to the resignation of the head teacher of Cockington Primary School in the Autumn Term of 2018. A new head of school was found from within the trust and results have already started to improve at Cockington.

Currently all three schools remain OFSTED Good and at Eden Park a pilot inspection was carried out earlier this year which was extremely positive.

The trust still has a live free school project however this has been delayed due to issues around planning permission. We are awaiting further information from the local authority about any further progress.

For the size of trust we have a relatively well developed central team with capacity in HR, premises and finance, providing services for all our schools. The trust also has effective systems for professional development and collaboration across its 3 schools and as part of this has supported another local school.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019
Key Performance Indicators

The following key performance indicators for the trust are:

Coast Academies Key Performance Indicators			
Pupils:	Cockington	Preston	Eden Park
Latest attendance	4.95%	4.21%	5.17%
Persistent Absence	9.69%	8.26%	7.98%
Exclusions	42	1.5	3.5
Permanent Exclusions	1	0	0
Financial KPI's			
Salary Costs as a % of Income	73.0%	75.0%	69.0%
Proportion of budget spent on leadership team	11.2%	8.2%	8.9%
Spend per pupil for non-pay expenditure	£1,322	£1,490	£1,541
Pupil:teacher ratio	23.32	22.8	20.74
Pupil:support ratio	15.28	14.4	10.81
Average Teacher Cost (£)	£37,510	£40,965	£32,204
Staff Absence	874	296	600

Going Concern

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

FINANCIAL REVIEW
Financial Review

The financial results of Coast Academies are detailed in the following pages. It is considered that the finances are sound and well established. The principle financial management policies adopted are laid down by the Academies Financial Handbook published by the ESFA. Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, the Academy received total income of £6,714k and incurred total expenditure of £6,704k. The excess of income over expenditure for the year was £10k.

At 31 August 2019 the net book value of fixed assets was £12,952k and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of designated reserves should be approximately £240k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the academy amount to £10,112k, although £9,318k of this is invested in fixed assets or represents non GAG restricted funds. The remaining £794k (representing £439k unrestricted funds and £355k restricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1.5 months of normal recurring expenditure.

The Trustees have reviewed the future plans of the Academy and have set a designated reserves target as follows:

- £100,000 for Cockington Primary School
- £80,000 for Eden Park Primary School
- £60,000 for Preston Primary School

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The trust has in place an investment policy which allows for the potential investment of surplus cash balances but operated within strict guidelines approved by the Board of Directors.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 97% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019**

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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

Staffing - the success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy Trust is currently close to full pupil capacity, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

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

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019**

Following a successful bid to the ESFA, the Academy plans to open a free school subject to planning permission within the next 3 years.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 29th November 2019 and signed on the board's behalf by:



J Taylor
Chair of Trustees

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 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
Mr J Taylor, Chair	4	4
Mr K Kies, CEO	4	4
Mr D Lockyer	4	4
Mr G Nichols	2	4
Mr T Stephens	4	4
Mrs S Bevan	2	2
Mr J Harrison	0	2
Ms L Smith	2	2

Although the Board has had less than six meetings per year there has been effective oversight of funds through monthly financial updates, and regular contact with senior leadership.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher 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 Academy 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Ensuring joint procurement between the three schools wherever this could save money
- Looking for opportunities to restructure staff to provide high quality support and learning outcomes whilst saving money
- Ensuring spending is in line with the current school improvement priorities and holding heads of school and other budget holders to account

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 for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit Partnership as internal auditor.

The internal auditor'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
Testing of purchase systems
Testing of tendering and contracts
Testing of other financial systems

On a semi-annual basis, the auditor reports to the Board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

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

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 29th November 2019 and signed on their behalf, by:



J Taylor
Chair of Trustees



K Kies
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Coast Academies, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



K Kies
Accounting Officer

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

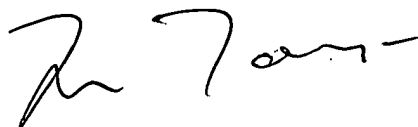
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by: 29/11/19



**J Taylor
Chair of Trustees**

Date: 29/11/19

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF COAST ACADEMIES

OPINION

We have audited the financial statements of Coast Academies (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF COAST ACADEMIES

required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF COAST ACADEMIES

USE OF OUR REPORT

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Bishop Fleming LLP', is written over the printed name of the auditor.

William Hanbury FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

50 The Terrace

Torquay

Devon

TQ1 1DD

Date: 12/12/19

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COAST ACADEMIES AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 March 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Coast Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Coast Academies and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Coast Academies and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF 'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of 's funding agreement with the Secretary of State for Education dated 30 June 2011, and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.


COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COAST ACADEMIES AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read 'Bishop Fleming LLP', is written over the printed name of the reporting accountant.

William Hanbury FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD

Date: 12/12/19

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
INCOME FROM:						
Donations and capital grants	2	-	33	220	253	115
Charitable activities	3	64	6,376	-	6,440	6,067
Other trading activities	4	21	-	-	21	97
Investments	5	-	-	-	-	1
Other income		-	-	-	-	1
TOTAL INCOME		85	6,409	220	6,714	6,281
EXPENDITURE ON:						
Raising funds		-	-	-	-	-
Charitable activities		10	6,481	213	6,704	6,962
TOTAL EXPENDITURE	6	10	6,481	213	6,704	6,962
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		75	(72)	7	10	(681)
Transfers between Funds	20	-	(29)	29	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		75	(101)	36	10	(681)
Actuarial gains on defined benefit pension schemes	24	-	(630)	-	(630)	686
NET MOVEMENT IN FUNDS		75	(731)	36	(620)	5
RECONCILIATION OF FUNDS:						
Total funds brought forward		364	(2,484)	12,852	10,732	10,732
TOTAL FUNDS CARRIED FORWARD		439	(3,215)	12,888	10,112	10,732

The notes on pages 26 to 53 form part of these financial statements.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)
 REGISTERED NUMBER: 07668923

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£000	2019 £000	£000	2018 £000
FIXED ASSETS					
Tangible assets	14		12,952		12,779
CURRENT ASSETS					
Stocks	15	-		8	
Debtors	16	293		301	
Cash at bank and in hand		<u>1,089</u>		<u>628</u>	
		1,382		937	
CREDITORS: amounts falling due within one year	17	<u>(551)</u>		<u>(406)</u>	
NET CURRENT ASSETS			<u>831</u>		<u>531</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,783		13,310
CREDITORS: amounts falling due after more than one year	18		<u>(101)</u>		<u>(70)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			13,682		13,240
Defined benefit pension scheme liability	24		<u>(3,570)</u>		<u>(2,508)</u>
NET ASSETS			<u>10,112</u>		<u>10,732</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	20	355		24	
Fixed asset funds	20	<u>12,888</u>		<u>12,852</u>	
Restricted funds excluding pension liability		13,243		12,876	
Pension reserve		<u>(3,570)</u>		<u>(2,508)</u>	
Total restricted funds			9,673		10,368
Unrestricted funds	20		<u>439</u>		<u>364</u>
TOTAL FUNDS			<u>10,112</u>		<u>10,732</u>

COAST ACADEMIES

**(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07668923**

**BALANCE SHEET (continued)
AS AT 31 AUGUST 2019**

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue, on the 29th November 2019 and are signed on their behalf, by:



**J Taylor
Chair of Trustees**

The notes on pages 26 to 53 form part of these financial statements.

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	22	<u>627</u>	<u>(26)</u>
Cash flows from investing activities:			
Interest received		-	1
Purchase of tangible fixed assets		(386)	(155)
Capital grants from DfE Group		<u>220</u>	<u>49</u>
Net cash used in investing activities		<u>(166)</u>	<u>(105)</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		461	(131)
Cash and cash equivalents brought forward		<u>628</u>	<u>759</u>
Cash and cash equivalents carried forward	23	<u><u>1,089</u></u>	<u><u>628</u></u>

The notes on pages 26 to 53 form part of these financial statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Coast Academies constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where receipt is probable and it is measurable.

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

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

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	50 years
Furniture and fixtures	-	3 - 4 years
Computer equipment	-	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

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

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 TAXATION

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

1.13 PENSIONS

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

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

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

1.14 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations	-	33	-	33
Capital Grants	-	-	220	220
	-	33	220	253
Total 2018	3	63	49	115

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Education	52	6,229	6,281	5,871
Nursery	12	147	159	196
	<u>64</u>	<u>6,376</u>	<u>6,440</u>	<u>6,067</u>
Total 2018	<u>75</u>	<u>5,992</u>	<u>6,067</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant	-	4,831	4,831	4,732
Other DfE/ESFA grants	-	842	842	788
	<u>-</u>	<u>5,673</u>	<u>5,673</u>	<u>5,375</u>
Other government grants				
High Needs	-	331	331	148
Other government grants non capital	-	109	109	97
	<u>-</u>	<u>440</u>	<u>440</u>	<u>245</u>
Other funding				
Other	53	116	168	106
	<u>53</u>	<u>116</u>	<u>168</u>	<u>106</u>
	<u>53</u>	<u>6,228</u>	<u>6,281</u>	<u>5,871</u>
Total 2018	<u>57</u>	<u>5,814</u>	<u>5,871</u>	

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Lettings	18	-	18	22
Fees received	3	-	3	75
	<u>21</u>	<u>-</u>	<u>21</u>	<u>97</u>
Total 2018	<u>97</u>	<u>-</u>	<u>97</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Bank interest	-	-	-	1
Total 2018	<u>1</u>	<u>-</u>	<u>1</u>	

6. EXPENDITURE

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Education:					
Direct costs	4,705	174	309	5,188	5,302
Support costs	570	402	420	1,392	1,652
Nursery:					
Direct costs	124	-	-	124	1
Support costs	-	-	-	-	7
	<u>5,399</u>	<u>576</u>	<u>729</u>	<u>6,704</u>	<u>6,962</u>
Total 2018	<u>5,347</u>	<u>582</u>	<u>1,033</u>	<u>6,962</u>	

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****7. DIRECT COSTS**

	Education £000	Nursery £000	Total 2019 £000	Total 2018 £000
Pension finance costs	50	-	50	50
Educational supplies	309	1	310	88
Staff development	9	-	9	24
Other costs	15	-	38	81
Supply teachers	18	-	18	37
Wages and salaries	3,420	102	3,522	3,627
National insurance	289	4	293	298
Pension cost	907	17	924	856
Depreciation	171	-	171	242
	<u>5,188</u>	<u>124</u>	<u>5,335</u>	<u>5,303</u>
Total 2018	<u>5,302</u>	<u>1</u>	<u>5,303</u>	

8. SUPPORT COSTS

	Education £000	Nursery £000	Total 2019 £000	Total 2018 £000
Pension finance costs	13	-	13	20
Recruitment and support	6	-	6	3
Maintenance of premises and equipment	72	-	72	33
Cleaning	101	-	101	115
Rent and rates	24	-	24	49
Energy costs	87	-	87	66
Insurance	27	-	27	32
Security and transport	30	-	30	32
Catering	243	-	243	246
Technology costs	25	-	25	84
Office overheads	51	-	51	86
Legal and professional	120	-	120	250
Bank interest and charges	-	-	-	1
Supply Staff	49	-	49	
Staff Development	5	-	5	
Wages and salaries	400	-	400	363
National insurance	27	-	27	43
Pension cost	70	-	70	160
Depreciation	42	-	42	76
	<u>1,392</u>	<u>-</u>	<u>1,392</u>	<u>1,659</u>
Total 2018	<u>1,652</u>	<u>7</u>	<u>1,659</u>	

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	213	318
Auditors' remuneration - audit	4	13
Auditors' remuneration - other services	-	-
Operating lease rentals	<u>15</u>	<u>25</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	3,922	3,954
Social security costs	320	341
Pension costs	625	1,016
	<u>4,867</u>	<u>5,311</u>
Agency staff costs	68	36
Staff restructuring costs	-	-
	<u>4,935</u>	<u>5,347</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Severance payments	-	-

b. Staff numbers

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

	2019 No.	2018 No.
Teachers and support	164	191
Administration and support	28	16
Management	10	13
	<u>202</u>	<u>220</u>

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Teachers and support	132	132
Administration and support	20	14
Management	9	12
	<u>161</u>	<u>158</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

c. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	-	1

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £673,307 (2017: £821,901).

This year has seen some changes in the Senior Leadership of the MAT along with development of a Central Team. These changes whilst increasing in year staffing costs at a senior level (for this year), will and are delivering both financial and operational improvements across the MAT.

Whilst recognising the optics of this during a period of budgetary pressures; with an associated impact upon staffing, the board is confident these are strategic changes (predominantly funded via grants received to support Academy Growth), leave the MAT well placed to see benefits over future years.

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by management personnel above.

11. CENTRAL SERVICES

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

12. TRUSTEES' REMUNERATION AND EXPENSES

The Head Teacher and other staff Trustees only receive remuneration in respect of the services they provide undertaking the roles of Head Teacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: K Kies: Remuneration £70,000 - £80,000 (2018: £95,000 - £100,000), Employer's pension contributions £10,000 - £15,000 (2018: £15,000 - £20,000).

During the year ended 31 August 2019, no Trustees received any reimbursement of expenses (2018: nil).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****14. TANGIBLE FIXED ASSETS**

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer equipment £000	Total £000
COST				
At 1 September 2018	13,845	409	334	14,588
Additions	355	21	10	386
At 31 August 2019	14,200	430	344	14,974
DEPRECIATION				
At 1 September 2018	1,120	391	298	1,809
Charge for the year	171	21	21	213
At 31 August 2019	1,291	412	319	2,022
NET BOOK VALUE				
At 31 August 2019	12,909	18	25	12,952
At 31 August 2018	12,725	18	36	12,779

15. STOCKS

	2019 £000	2018 £000
Stock	-	8

16. DEBTORS

	2019 £000	2018 £000
Trade debtors	-	3
Prepayments and accrued income	228	212
VAT recoverable	65	86
	293	301

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £000	2018 £000
ESFA loans	27	28
Trade creditors	2	69
Other taxation and social security	146	78
Other creditors	-	74
Accruals and deferred income	375	157
	<u>550</u>	<u>406</u>

	2019 £000	2018 £000
DEFERRED INCOME		
Deferred income at 1 September 2018	115	107
Resources deferred during the year	97	115
Amounts released from previous years	<u>(115)</u>	<u>(107)</u>
Deferred income at 31 August 2019	<u>97</u>	<u>115</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals and monies fundraised.

Included within ESFA loans is Condition Improvement Fund (CIF) loans of £17,233 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.69% and £10,340 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.69%.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £000	2018 £000
ESFA loans	<u>101</u>	<u>70</u>

Included within ESFA loans is Condition Improvement Fund (CIF) loans of £15,534 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.69%, £19,660 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.69%, £20,000 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.69% and £15,000 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.90%, and Salix loans of £27,273 payable in monthly instalments over 3 years.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

19. FINANCIAL INSTRUMENTS

	2019 £000	2018 £000
Financial assets measured at amortised cost	<u>1,202</u>	<u>144</u>
Financial liabilities measured at amortised cost	<u>(283)</u>	<u>(209)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, ESFA loans and accruals expenditure.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
DESIGNATED FUNDS						
Trust Designated Reserve	-	-	-	240	-	240
School development and Thrive bus	100	-	-	(100)	-	-
GENERAL FUNDS						
Unrestricted funds	264	85	(10)	(140)	-	199
Total Unrestricted funds	364	85	(10)	-	-	439
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	4,831	(4,472)	(29)	-	330
SEN	-	331	(331)	-	-	-
Nursery fees	-	159	(159)	-	-	-
Pupil premium	2	565	(565)	-	-	2
PE Grant	2	59	(59)	-	-	2
MAT Improvements Grant	3	-	-	-	-	3
Other restricted income	12	105	(105)	-	-	12
Project Development Grant	5	-	-	-	-	5
Rates relief	-	23	(23)	-	-	-
Educational trips and visits	-	52	(52)	-	-	-
UIFSM	-	177	(177)	-	-	-
Planned pupil growth	-	84	(84)	-	-	-
PTA donations	-	22	(22)	-	-	-
Pension reserve	(2,508)	-	(432)	-	(630)	(3,570)
	<u>(2,484)</u>	<u>6,409</u>	<u>(6,481)</u>	<u>(29)</u>	<u>(630)</u>	<u>(3,215)</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Other LA capital	9,079	-	(95)	-	-	8,984
Fixed assets purchased from GAG	307	-	(27)	-	-	280
DfE/ESFA Capital grants	1,071	220	(43)	-	-	1,248
Capital LA Nursery	9	-	-	-	-	9
Sport England	5	-	(5)	-	-	-
Assets donated by Torbay Council	2,347	-	-	-	-	2,347
Project funds from Torbay Council	13	-	(42)	29	-	-
Donation from Acorns Nursery	20	-	-	-	-	20
Chartwells	1	-	(1)	-	-	-
	<u>12,852</u>	<u>220</u>	<u>(213)</u>	<u>29</u>	<u>-</u>	<u>12,888</u>
Total restricted funds	<u>10,368</u>	<u>6,629</u>	<u>(6,694)</u>	<u>-</u>	<u>(630)</u>	<u>9,673</u>
Total of funds	<u>10,732</u>	<u>6,714</u>	<u>(6,704)</u>	<u>-</u>	<u>(630)</u>	<u>10,112</u>

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

DESIGNATED FUNDS

This represents the Trust's designated reserve, deemed as the minimum to be held by the Trust.

UNRESTRICTED FUNDS

General funds - This represents unrestricted funding received in the year.

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the running costs of the Academy, including education and support costs.

SEN - Funding received by the Local Authority to fund further support for students with additional needs.

Nursery Fees - This represents funding received to provide nursery facilities.

Pupil premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

UIFSM - This funding was received in order to ensure children that meet the criteria have access to free school meals.

PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

MAT Improvements Grant- This represents funding received to improve the Trust.

Project Development Grant – This represents the project development funding received.

Rates Relief- This represents funding received from the ESFA for Rates costs.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (continued)

Educational Trips and Visits- This represents income generated for school trips and expenditure relating to those trips.

Planned Pupil Growth – This funding was received from the local authority for Cockington School and has been spent in year.

PTA Donations- These are donations received from the PTA for restricted purposes.

Other restricted funds - This relates smaller restricted income streams.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Assets donated by Torbay Council - This represents the fixed assets transferred from the Local Authority on conversion to an Academy Trust.

DfE/ESFA Capital Grants These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Fixed assets purchased from GAG - This represents fixed assets which were purchased from GAG funding. The balance at the year end represents the NBV of assets.

DfE/ESFA Capital grants - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Capital LA nursery- These funds were received from the local authority. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Sport England- These funds were received from Sport England and the balance represents the NBV of assets.

Project Funds from Torbay Council/Other LA capital- This represents fixed assets which were purchased from LA funding or given to the Trust by the LA.

Donation from Acorns Nursery- Donation from Nursery for future grounds works required.

Chartwells- Investment fund from supplier for kitchen equipment, the balance represents the NBV of assets.

OTHER INFORMATION

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

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £000	Total 2018 £000
Cockington Primary School	400	337
Eden Park Primary School	213	32
Preston Primary School	181	19
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	794	388
Restricted fixed asset fund	12,888	12,852
Pension reserve	(3,570)	(2,508)
	<hr/>	<hr/>
Total	10,112	10,732

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Central Cockington Primary School	301	231	-	47	579	-
Eden Park & Preston Primary Schools	1,928	295	155	297	2,675	2,540
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,163	465	164	444	3,236	3,651
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,392	991	319	788	6,491	6,191

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
DESIGNATED FUNDS						
School development and Thrive bus	-	-	-	100	-	-
GENERAL FUNDS						
Unrestricted funds	335	177	(102)	(146)	-	264
RESTRICTED FUNDS						
General Annual Grant (GAG)	(1)	4,732	(4,708)	(23)	-	-
SEN	-	147	(147)	-	-	-
Nursery fees	-	178	(178)	-	-	-
Pupil premium	2	556	(556)	-	-	2
Restricted reimbursements fund	-	48	(48)	-	-	-
PE Grant	2	60	(60)	-	-	2
MAT Improvements Grant	3	-	-	-	-	3
Other restricted income	12	-	-	-	-	12
Project Development Grant	30	-	(25)	-	-	5
Regional Academy Growth Fund	34	-	(34)	-	-	-
Rates relief	-	18	(18)	-	-	-
Educational trips and visits	-	58	(58)	-	-	-
UIFSM	-	167	(167)	-	-	-
Planned pupil growth	-	84	(84)	-	-	-
PTA Donations	-	5	(5)	-	-	-
Music funding from Torbay Council	-	2	(2)	-	-	-
Pension reserve	(2,742)	-	(452)	-	686	(2,508)
	<u>(2,660)</u>	<u>6,055</u>	<u>(6,542)</u>	<u>(23)</u>	<u>686</u>	<u>(2,484)</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Other LA capital	9,240	-	(161)	-	-	9,079
Fixed assets purchased						
from GAG	286	-	(48)	49	-	307
DfE/ESFA Capital grants	1,053	49	(31)	-	-	1,071
Capital LA Nursery	9	-	-	-	-	9
Sport England	18	-	(13)	-	-	5
Assets donated by Torbay						
Council	2,361	-	(14)	-	-	2,347
Project funds from Torbay						
Council	63	-	(50)	-	-	13
Donation from Acorns						
Nursery	20	-	-	-	-	20
Chartwells	2	-	(1)	-	-	1
	<u>13,052</u>	<u>49</u>	<u>(318)</u>	<u>69</u>	<u>-</u>	<u>12,852</u>
Total restricted funds	<u>10,392</u>	<u>6,104</u>	<u>(6,860)</u>	<u>46</u>	<u>686</u>	<u>10,368</u>
Total of funds	<u>10,727</u>	<u>6,281</u>	<u>(6,962)</u>	<u>-</u>	<u>686</u>	<u>10,732</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	12,952	12,952
Current assets	439	943		1,382
Creditors due within one year	-	(487)	(64)	(551)
Creditors due in more than one year	-	(101)	-	(101)
Provisions for liabilities and charges	-	(3,570)	-	(3,570)
	<u>439</u>	<u>(3,215)</u>	<u>12,888</u>	<u>10,112</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	12,778	12,778
Current assets	364	499	74	937
Creditors due within one year	-	(405)	-	(405)
Creditors due in more than one year	-	(70)	-	(70)
Provisions for liabilities and charges	-	(2,508)	-	(2,508)
	<u>364</u>	<u>(2,484)</u>	<u>12,852</u>	<u>10,732</u>

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of Financial Activities)	10	(681)
Adjustment for:		
Depreciation charges	213	318
Dividends, interest and rents from investments	-	(1)
Decrease/(increase) in stocks	8	8
Decrease/(increase) in debtors	10	8
(Decrease)/increase in creditors	176	(179)
Capital grants from DfE and other capital income	(220)	49
Defined benefit pension scheme cost less contributions payable	291	382
Defined benefit pension scheme finance cost	66	70
Defined benefit pension scheme past service cost	73	-
Net cash used in operating activities	627	(26)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash at bank and in hand	1,089	628
	1,089	628

24. PENSION COMMITMENTS

The Academy Trust'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 Torbay Council. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £44,000 were payable to the schemes at 31 August 2019 (2018: £74,000) and are included within creditors.

Teachers' Pension Scheme**Introduction**

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

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

24. PENSION COMMITMENTS (continued)

are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers Pension Scheme has now taken place in line with directions issued by HM Treasury and using membership data as at 31 March 2019. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the period amounted to £359,578 (2018: £365,075).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust 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 2019 was £344,000 (2018: £353,000), of which employer's contributions totalled £262,000 (2018: £269,000) and employees' contributions totalled £82,000 (2018: £84,000). The agreed contribution rates for future years are 15.8% for employers and 7.5 - 12.5% 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.

Principal actuarial assumptions:

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****24. PENSION COMMITMENTS (continued)**

	2019	2018
Discount rate for scheme liabilities	1.85%	2.65%
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment / inflation	2.20%	2.30%

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

	2019	2018
Retiring today		
Males	22.5	23.5
Females	24.4	25.6
Retiring in 20 years		
Males	24.2	25.8
Females	26.2	28.0

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

24. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	6,573	5,118
Discount rate -0.1%	6,897	5,369
Mortality assumption - 1 year increase	6,987	5,417
Mortality assumption - 1 year decrease	6,488	5,072
CPI rate +0.1%	6,748	5,357
CPI rate -0.1%	6,718	5,130

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	1,945	1,677
Gilts	113	87
Corporate bonds	59	53
Property	276	247
Cash and other liquid assets	42	42
Alternative assets	166	140
Infrastructure	120	98
Target return portfolio	442	390
Total market value of assets	<u>3,163</u>	<u>2,734</u>

The actual return on scheme assets was £128,000 (2018: £153,000)

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****24. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £000	2018 £000
Current service cost	(628)	(651)
Past service cost	-	-
Interest income	63	61
Interest cost	(139)	(131)
Total	<u>(704)</u>	<u>(721)</u>

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

	2019 £000	2018 £000
Opening defined benefit obligation	5,242	4,997
Current service cost	553	651
Employee contributions	82	84
Actuarial gains	683	(596)
Benefits paid	(41)	(25)
Past service costs	75	-
Interest Cost	139	131
Closing defined benefit obligation	<u>6,733</u>	<u>5,242</u>

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

	2019 £000	2018 £000
Opening fair value of scheme assets	2,734	2,255
Interest income	76	63
Actuarial losses/(gains)	52	90
Employer contributions	262	269
Employee contributions	82	84
Effect of non-routine settlements	(41)	(25)
Administration expenses	(2)	(2)
Closing fair value of scheme assets	<u>3,163</u>	<u>2,734</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

25. OPERATING LEASE COMMITMENTS

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

	2019 £000	2018 £000
AMOUNTS PAYABLE:		
Within 1 year	20	19
Between 1 and 5 years	<u>13</u>	<u>27</u>
Total	<u><u>33</u></u>	<u><u>46</u></u>

26. MEMBERS' LIABILITY

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

GENERAL INFORMATION

Coast Academies is a company limited by guarantee, incorporated in England and Wales. The registered office is Eden Park Primary School, Eden Park, Brixham, Devon, TQ5 9NH.

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the year:

The Academy Trust received rental income of £14,250 (2018: £18,000) from Acorns Pre School, a company associated with T Stephens, a Trustee.