

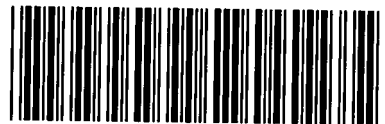
Company Registration Number: 07668923 (England & Wales)

COAST ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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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 2020**

Members	Mrs S Knapman Mr P Tape Ms L Williams Mrs C Tomms
Trustees	Mr T Stephens, Chair Mr J Taylor, Chair (resigned date 31/12/19) Mr K Kies, CEO Mr D Lockyer Mr G Nichols Mrs L Smlth Mrs S Bevan Mr J Harrison (resigned date 30/01/20) Mr C Corkerton (appointed date 17/04/20) Ms Laura D Allesandro (appointed date 17/04/20)
Company registered number	07668923
Principal and registered office	Eden Park Primary School Eden Park Brixham Devon TQ5 9NH
Company secretary	R Bowen
Accounting Officer	K Kies
Senior management team	Mr K Kies, Executive Head & CEO Ms A Clayton, Assistant Head Ms E King, Head of School Ms D Mawbey, Assistant Head Ms M Oliver, Assistant Head Ms K Taylor, 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 Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Solicitors	Browne Jacobson Minerva House Orchard Way Edginswell Park Torquay Devon TQ2 7FA

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. 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 1380 pupils in the school census of October 2019.

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 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, and to the date the financial statements are approved, 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	£5,421k
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

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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 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 Trust's professional indemnity insurance through the RPA has an unlimited value.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust has adopted a skill-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 3-4 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 Trust 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.

The Board currently operates with 1 formally constituted subcommittee;

- The 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.

Additionally, the board utilises,

- An Academy Challenge Team - this is responsible for leadership teams and fellow professionals are held to account. They add impartial quality assurance through links with other Multi Academy Trusts, the ACT produce reports that are shared with the Board.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust 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.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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 Trust Senior Leadership Team. 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

No Trustee or Governor received remuneration in the year in respect of their role as a Trustee. 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 in line with the pay policy of the Trust.

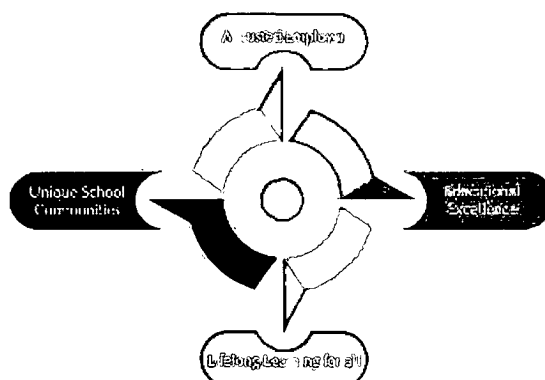
Connected Organisations, including Related Party Relationships

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:



COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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

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

We view every staff member as a coach and trust individuals to take responsibility, and initiative at any time.

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

We will encourage all our staff to progress within careers and will provide the security and confidence to keep willing to take the next step.

GOALS ➤

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.

FACTS ➤

We are committed to ensure all things are doing

We will encourage staff to take the difference that difference brings to our work.

We will support and encourage young people and adults to understand how they learn and what to do to do their own work.

We will encourage national participation where appropriate.

GOALS ➤

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 ➤

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, Strategies and Activities

Key priorities for the year are contained in our individual School Development Plans which are available on the individual school websites as well as the Trust website.

<https://www.coastacademies.org.uk/page/?title=School+Improvement&pid=21>

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. The Trust aims to advance for the public benefit, education in Torbay and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing schools and offering a broad curriculum.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

The pandemic and resulting lockdown have had a significant impact on the education sector and the three schools within Coast Academies. Our three schools remained open throughout the first national lockdown and provided face to face education for key worker children and vulnerable children whilst at the same time providing remote learning for children at home. During the first lock down period most school improvement activities were on hold although the progress with improvement in areas of technology supporting learning were significant.

Remote learning was provided through a number of different online platforms such as Microsoft Teams and SeeSaw. These online resources allowed a good number of pupils across our three schools to engage on a daily basis with learning and to stay in touch with their teachers. The numbers of pupils accessing learning in this way varied within each school and varied during the course of the lockdown period but was generally over 60% and at times was higher. Those pupils without digital access were provided with learning packs which meant that most pupils were able to continue with their learning.

The Trusts significant investment in technology is proving invaluable at this time. The ready availability of devices across the Trust has meant that teachers and teaching support staff have been able to interact more easily online supporting both their teaching and involvement with professional development and staff communication. The Trusts it team have worked tirelessly to support the implementation of hundreds of new devices and the use of the new platforms.

The success of our remote and blended learning appears to be reflected in the progress children have made and the minimising of any detrimental impact on learning due to the school closures. No formal tests/SATs took place this year of course however projections based on teacher assessments and mock tests provide a positive picture and a continued overall improving trend for each school. The charts below show the projections of the number of children at year 6 achieving the expected standard since 2018.

Children's learning in other year groups has of course been impacted by the lockdown however children have returned to school positively demonstrating great resilience and teachers across our Trust are working hard to address any gaps in pupil learning.

Cockington	Eden Park	Preston																																																												
<table><tr><th>EXP</th><th>2018</th><th>2019</th><th>2020</th></tr><tr><td>Reading</td><td>68</td><td>68</td><td>74</td></tr><tr><td>Writing</td><td>78</td><td>76</td><td>69</td></tr><tr><td>Maths</td><td>54</td><td>70</td><td>76</td></tr><tr><td>Combined</td><td>64</td><td>55</td><td>64</td></tr></table>	EXP	2018	2019	2020	Reading	68	68	74	Writing	78	76	69	Maths	54	70	76	Combined	64	55	64	<table><tr><th></th><th>2018</th><th>2019</th><th>2020</th></tr><tr><td>Reading</td><td>77</td><td>84</td><td>78</td></tr><tr><td>Writing</td><td>71</td><td>67</td><td>74</td></tr><tr><td>Maths</td><td>65</td><td>78</td><td>88</td></tr><tr><td>Combined</td><td>72</td><td>80</td><td>74</td></tr></table>		2018	2019	2020	Reading	77	84	78	Writing	71	67	74	Maths	65	78	88	Combined	72	80	74	<table><tr><th></th><th>2018</th><th>2019</th><th>2020</th></tr><tr><td>Reading</td><td>83</td><td>80</td><td>85</td></tr><tr><td>Writing</td><td>85</td><td>86</td><td>88</td></tr><tr><td>Maths</td><td>83</td><td>75</td><td>88</td></tr><tr><td>Combined</td><td>74</td><td>66</td><td>85</td></tr></table>		2018	2019	2020	Reading	83	80	85	Writing	85	86	88	Maths	83	75	88	Combined	74	66	85
EXP	2018	2019	2020																																																											
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Combined	74	66	85																																																											

Board meetings continued throughout the lockdown but were all conducted virtually and fully supported by the members of the Board. The Board were kept apprised of the Covid response and risk assessments but were also updated on the progress of our "Technology for Learning Project" which involved equipping all classrooms across the Trust with flat screen televisions for front of class teaching and pupil iPads.

Financially the Trust did not experience any uncertainty, and reforecast the budget to ensure it would balance at the end of the year, before spending reserves on the "Technology for Learning Project". Therefore, this has not impacted the sustainability of the Trust going forward.

The pandemic has had some impact on activities such as wrap around care and after school clubs which did not take place initially and had some impact financially since these activities provide an income source, however expenditure was reduced where possible to ensure the overall school budget was not affected. Other wider community type activities offered by our schools such as school fetes and sports days have of course not been able to go ahead which has been a great disappointment to many. However, the positive attitude of staff and the wider school community has, without doubt, prevailed.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

The Trust has taken great care to address the mental health and wellbeing of its staff and has engaged the services of a wellbeing consultant to support the development of strategies in this area. Throughout lockdown wellbeing updates were provided for all staff in the form of regular information packs which appeared to be received positively by staff.

Children's learning has obviously been impacted by the lockdown however children have returned to school positively demonstrating great resilience and teachers across our Trust are working hard to address any gaps in pupil learning.

There has of course been a financial impact from the pandemic with the most significant costs related to staff cover which is needed when staff are required to self-isolate or are forced to work from home if clinically extremely vulnerable.

Our risk register has been updated to reflect the risks to the Trust from the pandemic which are not only financial but could affect future outcomes and standards due to the continued disruption to children's learning.

Our plans for the development and growth of our Trust in the wider education community have also been disrupted by the pandemic. Although collaboration with other Trusts and schools has continued it has been much more difficult to further develop meaningful relationships and support, with face to face visits to each other's schools not possible.

Interaction with the local authority has actually increased during the pandemic and despite the inability to physically visit other schools there has been good collaboration with heads across Torbay through briefings arranged by the local authority and changes and improvements to the local headteacher's organisation (TAPS). The CEO of Coast Academies, sits on the TAPS committee.

Interaction with the Regional Schools Commissioner's office has also continued, and confirmation of our free school development has been received. The school, currently named Windmill Hill, now has a provisionally allocated piece of land which the local authority has committed to purchasing by the end of 2020.

The Academy Trust's key Priorities are:

- To further develop our shared understanding of teaching, learning and to ensure that governors' impact directly on the quality of education
- To craft our shared vision for education around the "golden thread" of a curriculum that is purposeful, develops knowledge and skills coherently and enables our pupils to be equipped for the future as responsible and confident individuals
- To grow and develop our MAT to allow us to benefit from economies of scale whilst ensuring we are a socially and environmentally responsible organisation
- To develop an IT strategy for the next three years that will enable schools to use technology in the best possible way and prepare our pupils for the future

Coast Academies Key Performance Indicators			
	Eden Park	Preston	Cockington
Salary Costs as a % of Income	68%	68%	75%
Proportion of budget spent on leadership team	9%	8%	10%
Spend per pupil for non-pay expenditure	£1,665	£1,235	£1,837
Average Teacher Salary Cost (£)	£34,202	£36,861	£38,342

Currently all three schools remain OFSTED Good.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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.

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, this has included consideration of the impact of Covid-19. 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 Trust'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 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the 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 Trust's accounting policies.

During the year ended 31 August 2020, (excluding restricted fixed asset and pension reserves), the Academy Trust received total income of £6,767k and incurred total expenditure of £6,858k. The excess of expenditure over income for the year, after transfers of £222k to restricted fixed asset funds, was £313k.

At 31 August 2020 the net book value of fixed assets was £13,038k 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 Trust.

The Trust 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 23 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 the Pay Policy, Critical incident plan and Expenses policy.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Reserves Policy

The Trustees review the reserve levels of the Trust 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 Trust, 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 for the Trust. 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 Trust amount to £8,732k, although £8,252k of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £480k (representing £317k unrestricted funds and £163k restricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy. The Trust SLT have the ability to make reserves requests to spend the reserves in excess of the Trusts minimum levels required, by completing a request form and submitting to the Finance Committee for approval.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust'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 Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust 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 Trust 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 Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 97% of the Trust'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 Trust'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.

COVID-19 – the pandemic has presented a unique risk to the Trust; Government and scientific advice has been followed clearly. Our distance learning platforms are in place and working well and there is a detailed risk assessment in place for both the Trust and individual risk assessments for the school sites. Risk assessments are also in place for vulnerable staff who are back on site.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Reputational - the continuing success of the Trust 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 a Finance, Risk and Audit committee and an external auditor to carry out checks on financial systems and records as required by the Academies 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 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 Trust 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 Trust 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 was performed by the schools or the PTA. All fundraising undertaken during the year was monitored by the Trustees through the management accounts review.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR FUTURE PERIODS

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

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

Following a successful bid to the ESFA, the Trust 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 Trust 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 4th December 2020 and signed on the board's behalf by:



**T Stephens
Chair of Trustees**

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

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 3 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Taylor, Chair	1	1
Mr K Kies, CEO	3	3
Mr D Lockyer	3	3
Mr G Nichols	3	3
Mr T Stephens, Chair	2	3
Mrs S Bevan	3	3
Mr J Harrison	0	1
Ms L Smith	3	3
Mr C Corkerton	2	2
Ms Laura D Allesandro	1	2

Attendance during the year at meetings of the Finance, Risk and Audit Committee was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Lockyer	3	3
Mr K Kies, CEO	3	3
Mr T Stephens	3	3
Mr C Corkerton	1	1

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. Toward the end of the year the board started to review our structure to formalise the status of the ACT as a 'Board Subcommittee'. The Lead Directors for Educational Standards would share the leadership and organisation of the committee, with the same aims of the ACT to hold the Trusts educational leaders and professionals to account. It is anticipated the review will be completed in the next academic year.

Fortnightly 'Updates' involving the Chair and Vice Chair meeting with the CEO, CFO and HR Lead to review current activity in the key areas of the Trust and identify issues that the board may need to review. The notes from these meetings are shared with all the directors to enable the board to keep abreast of the current situation across the Trust.

Operating in this way ensures that the whole board is kept updated and can react quickly as situations arise. However, we regularly look at how our peers operate, attending regional conferences and national events to see how / where we may need to adapt to improve our effectiveness.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. New contracts have been re-negotiated during the financial year, some due to COVID, although no payments were made through the Government procurement notice PPN02/04.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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 policies
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, Risk and Audit 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.

Trustees have reviewed and taken account of the guidance in the DfE's governance handbook and the competency framework for governance.

Approved by order of the members of the Board of Trustees on 4th December 2020 and signed on their behalf, by:



T Stephens
Chair of Trustees



K Kies
Accounting Officer

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019.

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 2019.

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**

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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:



T Stephens
Chair of Trustees

Date: 4th December 2020

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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 and finance statements, 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.



Mark Munro FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 28 January 2021

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

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 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the year 1 September 2019 to 31 August 2020 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 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 Trust 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Munro FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 28 January 2021

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
INCOME FROM:						
Donations and capital grants	2	6	-	266	272	253
Charitable activities	3	24	6,651	-	6,675	6,440
Other trading activities	4	86	-	-	86	21
Investments	5	-	-	-	-	-
TOTAL INCOME		116	6,651	266	7,033	6,714
EXPENDITURE ON:						
Charitable activities		224	7,130	219	7,573	6,704
TOTAL EXPENDITURE	6	224	7,130	219	7,573	6,704
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(108)	(479)	47	(540)	10
Transfers between Funds	18	(14)	(208)	222	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(122)	(687)	269	(540)	10
Actuarial gains on defined benefit pension schemes	23	-	(857)	18	(839)	(630)
NET MOVEMENT IN FUNDS		(122)	(1,544)	287	(1,380)	(620)
RECONCILIATION OF FUNDS:						
Total funds brought forward		439	(3,215)	12,888	10,112	10,732
TOTAL FUNDS CARRIED FORWARD		317	(4,760)	13,175	8,732	10,112

The notes on pages 27 to 51 form part of these financial statements.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)
 REGISTERED NUMBER: 07668923

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£000	2020 £000	£000	2019 £000
FIXED ASSETS					
Tangible assets	14		13,038		12,952
CURRENT ASSETS					
Debtors	15	565		293	
Cash at bank and in hand		<u>646</u>		<u>1,089</u>	
		1,211		1,382	
CREDITORS: amounts falling due within one year	16	<u>(546)</u>		<u>(551)</u>	
NET CURRENT ASSETS			<u>665</u>		<u>831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,703		13,783
CREDITORS: amounts falling due after more than one year	17		<u>(48)</u>		<u>(101)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			13,655		13,682
Defined benefit pension scheme liability	23		<u>(4,923)</u>		<u>(3,570)</u>
NET ASSETS			<u>8,732</u>		<u>10,112</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	163		355	
Fixed asset funds	18	<u>13,175</u>		<u>12,888</u>	
Restricted funds excluding pension liability		13,338		13,243	
Pension reserve		<u>(4,923)</u>		<u>(3,570)</u>	
Total restricted funds			8,415		9,673
Unrestricted funds	18		<u>317</u>		<u>439</u>
TOTAL FUNDS			<u>8,732</u>		<u>10,112</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07668923

BALANCE SHEET (continued)
AS AT 31 AUGUST 2020

The financial statements on pages 23 to 51 were approved by the Trustees, and authorised for issue; on the 4th December 2020 and are signed on their behalf, by:



T Stephens
Chair of Trustees

The notes on pages 27 to 51 form part of these financial statements.

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(202)</u>	<u>627</u>
Cash flows from investing activities:			
Interest received		-	-
Purchase of tangible fixed assets		(300)	(386)
Capital grants from DfE Group received in year		<u>47</u>	<u>220</u>
Net cash used in investing activities		<u>(253)</u>	<u>(166)</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		(443)	461
Cash and cash equivalents as 1 September 2019		<u>1,089</u>	<u>628</u>
Cash and cash equivalents at the end of the year	21	<u><u>646</u></u>	<u><u>1,089</u></u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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 2020

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.

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 2020

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 (straight line) on the following bases:

Leasehold land and buildings	-	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 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.

1.8 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 2020

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 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 15. 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 16 and 17. 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.

1.11 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 part 11 chapter 3 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.

1.12 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 23, 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 2020

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.

1.13 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 2020****1. ACCOUNTING POLICIES (continued)****1.14 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 23, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	6	-	-	6	33
Capital Grants	-	-	266	266	220
	<u>6</u>	<u>-</u>	<u>266</u>	<u>272</u>	<u>253</u>
Total 2019	<u>-</u>	<u>33</u>	<u>220</u>	<u>253</u>	<u>253</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Education	-	6,538	6,538	6,281
Nursery	24	113	137	159
	<u>24</u>	<u>6,651</u>	<u>6,675</u>	<u>6,440</u>
Total 2019	<u>64</u>	<u>6,376</u>	<u>6,440</u>	

FUNDING FOR MULTI ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant	-	5,017	5,017	4,831
Other DfE/ESFA grants	-	1,073	1,073	842
	<u>-</u>	<u>6,090</u>	<u>6,090</u>	<u>5,673</u>
Other government grants				
High Needs	-	248	248	331
Other government grants non capital	-	40	40	109
	<u>-</u>	<u>288</u>	<u>288</u>	<u>440</u>
Exceptional government funding				
Coronavirus exceptional support	-	101	101	-
Other funding				
Other	-	59	59	168
	<u>-</u>	<u>160</u>	<u>160</u>	<u>168</u>
	<u>-</u>	<u>6,538</u>	<u>6,538</u>	<u>6,281</u>
Total 2019	<u>53</u>	<u>6,228</u>	<u>6,281</u>	

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £101k of Free School Meal vouchers cost. These costs are included in notes 6 to 8 below as appropriate.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Lettings	24	-	24	18
Fees received	62	-	62	3
	<u>86</u>	<u>-</u>	<u>86</u>	<u>21</u>
Total 2019	<u>21</u>	<u>-</u>	<u>21</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Bank interest	-	-	-	-
Total 2019	<u>-</u>	<u>-</u>	<u>-</u>	

6. EXPENDITURE

	Staff costs 2020 £000	Premises 2020 £000	Other costs 2020 £000	Total 2020 £000	Total 2019 £000
Education:					
Direct costs	4,549	182	570	5,301	4,747
Support costs	1,154	470	495	2,119	1,856
Nursery:					
Direct costs	152	-	-	151	124
Support costs	-	-	2	2	-
	<u>5,855</u>	<u>652</u>	<u>1,066</u>	<u>7,573</u>	<u>6,704</u>
Total 2019	<u>5,290</u>	<u>576</u>	<u>838</u>	<u>6,704</u>	

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

7. DIRECT COSTS

	Education £000	Nursery £000	Total 2020 £000	Total 2019 £000
Educational supplies	496	-	496	310
Staff development	23	-	23	9
Other costs	50	-	50	38
Supply teachers	41	-	41	18
Wages and salaries	3,495	126	3,621	3,522
National insurance	300	6	306	293
Pension cost	714	19	734	510
Depreciation	182	-	182	171
	5,301	151	5,453	4,871
Total 2019	4,747	124	4,871	

8. SUPPORT COSTS

	Education £000	Nursery £000	Total 2020 £000	Total 2019 £000
Pension finance costs	62	-	62	76
Educational Supplies	-	2	2	-
Recruitment and support	14	-	14	6
Maintenance of premises and equipment	138	-	138	72
Cleaning	101	-	101	101
Rent and rates	26	-	26	24
Energy costs	82	-	82	87
Insurance	37	-	37	27
Security and transport	48	-	48	30
Catering	210	-	210	243
Technology costs	22	-	22	25
Office overheads	53	-	53	51
Legal costs	3	-	3	2
Professional fees	125	-	125	118
Bank interest and charges	-	-	-	-
Supply Staff	18	-	18	49
Staff Development	6	-	6	5
Wages and salaries	547	-	547	400
National insurance	36	-	36	27
Pension cost	554	-	554	471
Depreciation	37	-	37	42
	2,119	2	2,121	1,856
Total 2019	1,856	-	1,856	

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets: - owned by the Academy Trust	219	213
Auditors' remuneration - audit	7	7
Auditors' remuneration - other services	4	4
Operating lease rentals	16	15

10. STAFF COSTS**a. Staff costs**

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	4,167	3,922
Social security costs	342	320
Pension costs	1,287	981
	5,796	5,223
Agency staff costs	59	67
	5,855	5,290

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****b. Staff numbers**

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

	2020 No.	2019 No.
Teachers and support	144	164
Administration and support	47	28
Management	10	10
	<u>201</u>	<u>202</u>

Average headcount expressed as a full time equivalent:

	2020 No.	2019 No.
Teachers and support	114	123
Administration and support	25	18
Management	9	9
	<u>148</u>	<u>150</u>

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:

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

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 £795,002 (2019: £673,307). The cost increase is a reflection of the Trust moving from school-based services to Trust centralised services.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

11. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year.

- Human Resources
- Financial services
- Premises services
- Educational support services
- IT services
- Pastoral services

The actual amounts charge during the year were as follows, these are recharged based on a pupil number split of actual costs:

	2020 £000	2019 £000
Cockington Primary School	250	-
Eden Park Primary School	203	-
Preston Primary School	157	-
	<hr/> 610	<hr/> -

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 £80,000 - £85,000 (2019: £75,000 - £80,000), Employer's pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000).

During the year ended 31 August 2020, no Trustees received any reimbursement of expenses (2019: 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 Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officer's 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 2020**

14. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer equipment £000	Total £000
COST				
At 1 September 2019	14,200	430	344	14,974
Additions	<u>85</u>	<u>38</u>	<u>177</u>	<u>300</u>
At 31 August 2020	<u>14,285</u>	<u>468</u>	<u>521</u>	<u>15,274</u>
DÉPRECIATION				
At 1 September 2019	1,291	407	319	2,017
Charge for the year	<u>182</u>	<u>12</u>	<u>25</u>	<u>219</u>
At 31 August 2020	<u>1,473</u>	<u>419</u>	<u>344</u>	<u>2,236</u>
NET BOOK VALUE				
At 31 August 2020	<u>12,812</u>	<u>49</u>	<u>177</u>	<u>13,038</u>
At 31 August 2019	<u>12,909</u>	<u>18</u>	<u>25</u>	<u>12,952</u>

15. DEBTORS

	2020 £000	2019 £000
Trade debtors	1	-
Prepayments and accrued income	489	228
VAT recoverable	<u>75</u>	<u>65</u>
	<u>565</u>	<u>293</u>

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £000	2019 £000
ESFA loans	23	27
Trade creditors	-	2
Other taxation and social security	78	71
Other creditors	97	75
Accruals and deferred income	348	375
	<u>546</u>	<u>550</u>

	2020 £000	2019 £000
DEFERRED INCOME		
Deferred income at 1 September 2019	97	115
Resources deferred during the year	197	97
Amounts released from previous years	<u>(97)</u>	<u>(115)</u>
Deferred income at 31 August 2020	<u>197</u>	<u>97</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, Local Authority growth funding received in advance, unspent Pupil Premium, Rates Relief and monies fundraised.

Included within ESFA loans is Condition Improvement Fund (CIF) loans of £13,333 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.45% and £20,000 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.04%. In addition Salix loans of £27,273 and £21,301 repayable in bi-annual instalments over 5 years and a Urgent Capital Grant loan of £12,296 repayable in monthly instalments over 5 years with an applicable annual interest rate of 2.01%.

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

	2020 £000	2019 £000
ESFA loans	<u>48</u>	<u>101</u>

Included within ESFA loans is Condition Improvement Fund (CIF) loans of £13,333 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.45% and £20,000 repayable in monthly instalments over 3 years with an applicable annual interest rate of 1.04%. In addition, Salix loans of £27,273 and £21,301 repayable in bi-annual instalments over 5 years and a Urgent Capital Grant loan of £12,296 repayable in monthly instalments over 5 years with an applicable annual interest rate of 2.01%.

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. STATEMENT OF FUNDS

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
DESIGNATED FUNDS						
Trust Designated Reserve	240	-	-	-	-	240
GENERAL FUNDS						
Unrestricted funds	199	116	(224)	(14)	-	77
Total Unrestricted funds	439	116	(224)	(14)	-	317
RESTRICTED FUNDS						
General Annual Grant (GAG)	330	5,017	(5,017)	(208)	-	122
Pupil premium	2	578	(580)	-	-	-
PE Grant	2	59	(61)	-	-	-
MAT Improvements Grant	3	-	(3)	-	-	-
Other restricted income	12	997	(968)	-	-	41
Project Development Grant	5	-	(5)	-	-	-
Pension reserve	(3,570)	-	(496)	-	(857)	(4,923)
	(3,215)	6,651	(7,130)	(208)	(857)	(4,760)
RESTRICTED FIXED ASSET FUNDS						
Other LA capital	8,984	-	(152)	-	-	8,832
Fixed assets purchased from GAG	280	-	(45)	-	-	235
DfE/ESFA Capital grants	1,248	266	(22)	222	18	1,732
Capital LA Nursery	9	-	-	-	-	9
Assets donated by Torbay Council	2,347	-	-	-	-	2,347
Donation from Acorns Nursery	20	-	-	-	-	20
	12,888	266	(219)	222	18	13,175
Total restricted funds	9,673	6,917	(7,349)	14	(839)	8,415
Total of funds	10,112	7,033	(7,573)	-	(839)	8,732

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

18. STATEMENT OF FUNDS (continued)

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 Trust, 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.

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.

COAST ACADEMIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

18. STATEMENT OF FUNDS (continued)

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.

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

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 2020.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Cockington Primary School	253	400
Eden Park Primary School	122	213
Preston Primary School	105	181
Total before fixed asset fund and pension reserve	480	794
Restricted fixed asset fund	13,175	12,888
Pension reserve	(4,923)	(3,570)
Total	8,732	10,112

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 2020 £000	Total 2019 £000
Central	186	385	19	128	718	579
Cockington Primary	2,066	355	154	347	2,922	2,675
Eden Park Primary	1,382	167	215	268	2,032	1,744
Preston Primary	1,085	229	121	247	1,682	1,492
	4,719	1,136	509	990	7,354	6,491

COAST ACADEMIES

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

	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	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)
	(2,484)	6,409	(6,481)	(29)	(630)	(3,215)
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
Sports England	5	-	(5)	-	-	-
Assets donated by Torbay Council	2,347	-	-	-	-	2,347
Project Funds Torbay	13	-	(42)	29	-	-
Donation from Acorns Nursery	20	-	-	-	-	20
Chartwells	1	-	(1)	-	-	-
	12,852	220	(213)	29	-	12,888
Total restricted funds	10,368	6,629	(6,694)	-	(630)	9,673
Total of funds	10,732	6,714	(6,704)	-	(630)	10,112

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	13,038	13,038
Current assets	331	661	219	1,211
Creditors due within one year	(14)	(498)	(34)	(546)
Creditors due in more than one year	-	-	(48)	(48)
Defined benefit pension scheme liability	-	(4,923)	-	(4,923)
	<u>317</u>	<u>(4,760)</u>	<u>13,175</u>	<u>8,732</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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)
Defined benefit pension scheme liability	-	(3,570)	-	(3,570)
	<u>439</u>	<u>(3,215)</u>	<u>12,888</u>	<u>10,112</u>

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £000	2019 £000
Net expenditure for the year (as per Statement of Financial Activities)	(540)	10
Adjustment for:		
Depreciation charges	219	213
Dividends, interest and rents from investments	-	-
Decrease/(increase) in stocks	-	8
Decrease/(increase) in debtors	(53)	10
(Decrease)/increase in creditors	(58)	176
Capital grants from DfE and other capital income	(266)	(220)
Defined benefit pension scheme cost less contributions payable	433	291
Defined benefit pension scheme finance cost	63	66
Defined benefit pension scheme past service cost	-	73
Net cash used in operating activities	(202)	627

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £000	2019 £000
Cash at bank and in hand	646	1,089
	646	1,089

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £000	Cash Flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash	1,089	(443)	-	646
Loans falling due within one year	(27)	4	-	(23)
Loans falling due after more than one year	(101)	37	16	(48)
	961	(402)	16	575

COAST ACADEMIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

23. 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 2019.

Contributions amounting to £71,000 were payable to the schemes at 31 August 2020 (2019: £49,000) 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary- these contributions are credited to the Exchequer. Retirement and other pension benefits 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. 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
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. 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 including earnings growth is 4.5%

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £535,718 (2019: £359,578).

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.

COAST ACADEMIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

23. PENSION COMMITMENTS (continued)

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 2020 was £372,000 (2019: £344,000), of which employer's contributions totalled £276,000 (2019: £262,000) and employees' contributions totalled £96,000 (2019: £82,000). The agreed contribution rates for future years are 17.6% 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:

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

	2020	2019
Retiring today		
Males	22.9	22.5
Females	24.1	24.4
Retiring in 20 years		
Males	24.3	24.2
Females	25.5	26.2

COAST ACADEMIES

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. PENSION COMMITMENTS (continued)

	2020	2019
Discount rate for scheme liabilities	1.60%	1.85%
Rate of increase in salaries	3.25%	3.70%
Rate of increase for pensions in payment / inflation	2.25%	2.20%
	At 31 August 2020 £000	At 31 August 2019 £000
Sensitivity analysis		
Discount rate +0.1%	(212)	(160)
Discount rate -0.1%	217	164
Mortality assumption - 1 year increase	388	254
Mortality assumption - 1 year decrease	(288)	(245)
CPI rate +0.1%	201	15
CPI rate -0.1%	(196)	(15)

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	2,127	1,945
Gilts	126	113
Corporate bonds	168	59
Property	283	276
Cash and other liquid assets	41	42
Alternative assets	227	166
Infrastructure	143	120
Target return portfolio	448	442
Total market value of assets	3,563	3,163

The actual return on scheme assets was £13,000 (2019: £128,000)

COAST ACADEMIES**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****23. PENSION COMMITMENTS (continued)**

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

	2020 £000	2019 £000
Current service cost	(744)	(628)
Past service cost	-	-
Interest income	63	63
Interest cost	(125)	(139)
Total	(806)	(704)

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

	2020 £000	2019 £000
Opening defined benefit obligation	6,733	5,242
Current service cost	744	553
Employee contributions	96	82
Actuarial loss	828	683
Benefits paid	(40)	(41)
Past service costs	-	75
Interest Cost	125	139
Closing defined benefit obligation	8,486	6,733

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

	2020 £000	2019 £000
Opening fair value of scheme assets	3,163	2,734
Interest income	62	76
Actuarial (losses)/gains	(29)	52
Employer contributions	313	262
Employee contributions	96	82
Effect of non-routine settlements	(40)	(41)
Administration expenses	(2)	(2)
Closing fair value of scheme assets	3,563	3,163

COAST ACADEMIES

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

24. OPERATING LEASE COMMITMENTS

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
AMOUNTS PAYABLE:		
Within 1 year	12	20
Between 1 and 5 years	7	13
Total	<u>19</u>	<u>33</u>

25. 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.

26. 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 the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The Academy Trust received rental income of £23,400 (2019: £14,250) from Acoms Pre School, a company associated with T Stephens, a Trustee.

In addition to the above, details of Trustees' remuneration are set out in note 12.