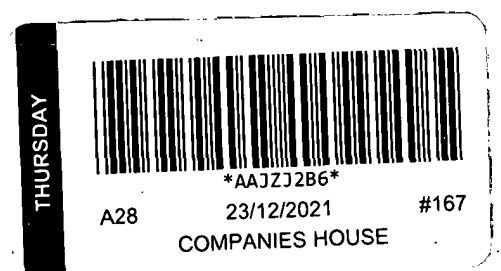


COMPANY REGISTRATION NUMBER: 07668923

**Coast Academies**  
**Company Limited by Guarantee**  
**Annual Report and Financial Statements**  
**31 August 2021**



# **Coast Academies**

**Company Limited by Guarantee**

## **Financial Statements**

**Year ended 31 August 2021**

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# **Coast Academies**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 August 2021**

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2021.

#### **Reference and administrative details**

**Company name** Coast Academies

**Company registration number** 07668923

**Principal office and registered office** Eden Park Primary School  
Eden Park  
Brixham  
Devon  
TQ5 9NH

**Accounting Officer** K Kies

**Trustees** Mr T Stephens, Chair  
Mr K Kies, CEO  
Mr D Lockyer  
Mr G Nichols  
Mrs L Smith  
Mrs S Bevan  
Mr C Corkerton (Resigned 6 June 2021)  
Ms L D'Allesandro (Resigned 13 October 2020)

**Members** Mrs S Knapman  
Mr P Tape  
Ms L Williams  
Mrs C Tomms

**Company secretary** Mrs R Bowen

**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

# **Coast Academies**

**Company Limited by Guarantee**

**Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 August 2021**

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<b>Auditor</b>	Thomas Westcott Chartered accountants & statutory auditor Plym House 3 Longbridge Road Marsh Mills Plymouth Devon PL6 8LT
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<b>Solicitors</b>	Browne Jacobson Minerva House Orchard Way Edginswell Park Torquay Devon TQ2 7FA
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# **Coast Academies**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 August 2021**

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The trustees present their annual report together with the financial statements and auditor's report of the academy for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law

#### **Structure, Governance and Management**

##### **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.

##### **Method of recruitment and appointment or election of Trustees**

The Academy's Board of Trustees comprises the CEO, a minimum of 2 Parent Trustees, and 3 other Trustees. Trustees are appointed for a four-year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

##### **Policies and Procedures adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees over a 4 year period, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the DFE and other bodies. Training sessions/information to keep the Trustees updated on relevant developments impacting on their roles and responsibilities are

##### **Organisational Structure**

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

We have the following committee structure;

- Finance and Audit Committee - this meets at least 3 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, risk management and health and safety
  - ACT (Academy Challenge Team) – The ACT evaluate and review Academy policy, practice and performance in relation to curriculum planning, pupil outcomes, pupil safeguarding, SEN and attendance. This work is carried out in schools through meeting with professionals and visiting classroom. (it was done remotely during COVID)
-

# **Coast Academies**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 August 2021**

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

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the trust by the use of budgets and other data, and making major decisions about the direction of the trust, capital expenditure and staff appointments. The Board of Trustees have devolved responsibility for day-to-day management of the trust to the CEO and senior staff.

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

The central team consists of a CFO, Senior HR officer and deputy, a facilities manager, IT strategy manager and Health and Safety officer. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Academy Trust comprises three primary schools and still have a live free school project with the DfE to build and open a new primary school in Paignton.

#### **Arrangements for setting pay and remuneration of key management personnel**

The Board of Trustees and the senior leadership team comprise the key management personnel of the trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

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

The Trustees benchmark against pay levels in other Academies of a similar size.

#### **Related Parties and other Connected Charities and Organisations**

There are no related parties which either control or significantly influence the decisions and operations of Coast Academies Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy Trust.

# **Coast Academies**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 August 2021**

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#### **Objectives and Activities**

##### **Objects and Aims**

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on inclusion.

##### **Objectives, Strategies and Activities**

We enable children to travel into the future with confidence and influence

##### ***21<sup>st</sup> Century Curriculum***

***We equip our children with the skills and knowledge to have successful futures***

This entails providing skills not necessarily taught in the national curriculum – creativity, collaboration, critical thinking and communication (the 4Cs) - conveying ideas to others. Doing this will give children the maximum life choices, generate freedom and help children to be successful. Basically, it is about giving them the skills and knowledge they need to succeed at the next step in life - secondary school and beyond. This involves creating culture where innovation comes from everyone.

As a result, we would expect to have a curriculum where the 4 C's are taught; where staff and children are confident to take risks and build resilience; and, where with the use of technology, staff and pupils are able to work fluidly and flexibly. All children will achieve the best outcomes and make progress across the curriculum including becoming fluent readers.

Children will benefit because they will be able to respond better to the challenges of an uncertain future. The societal and economic impact of this will help to break the cycle of deprivation. Staff will benefit from the elevated status of being part of a trust that has looked over the horizon and has responded with strong curriculum intent. Focus on the 4C's will result in excellent practice being shared across the three schools, building a positive reputation with all our stakeholders and making recruitment of new staff easier.

##### **Objectives**

1. We design and deliver a future-relevant curriculum with the 4 C's - creativity, collaboration, critical thinking and communication constantly in mind.
2. We ensure our teachers are skilled in the pedagogy supporting this future-relevant curriculum

##### **Considerations**

- IT as a role in delivering this curriculum
  - Understand what the children need beyond secondary e.g., STEM (STEAM – including Art)
  - Getting children ready for adulthood and the next steps in their education
  - How we choose what our learning experiences are
  - Finance – financial education
  - Finding balance of where we are going with reading, writing and maths with great importance still placed on these core subjects
  - Reading is at the heart of the school
  - Designing the curriculum with aspirations in mind – including external experience by inviting guest speakers / visitors to come in and share their experience
-

## Coast Academies

### Company Limited by Guarantee

#### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

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- We need to have the 'right' set of staff to deliver this
- We need to give clear leadership even when challenged including external challenge
- We must be prepared to not have to be in control of innovation and embrace this as a positive.

#### Indicators

- 21st Century Curriculum done well will result in better outcomes for all particularly in reading, writing and maths. We will achieve more across the breadth of the curriculum.
- Widening the professional aspirations of pupils through 4 C's – bringing in live career examples.
- Inclusion for all – breaking the cycle of deprivation by ensuring that every child matters.
- Measuring the steps along the way and checking our expectations are being met and recognise the value of these steps to the overall culture change.
- Achieving highly with existing measures and assessments – SATS, test result, OFSTED.

#### *Personal Development*

***We set everything a child experiences at school around developing their values and character.***

This involves ensuring that all children leave with strength of character, and the skills and knowledge to help them succeed as citizens. Children will develop the soft skills that employers are crying out for, making them good people and better contributors. It means surrounding the children with staff/adults who constantly look to self-improve applying a flexibility of approach and striving for continuous improvement for all.

This is important because it is fundamentally our job to produce good people first and foremost. It also ensures we give the children the knowledge to keep themselves and others safe and well. This allows us to include the principles and ideas described in the Young Citizens.org Seven Step process.

This will result in a global sea-change for education producing more confident, proactive pupils built on a foundation of respect for all. As a consequence, children will achieve better conflict resolution by understand themselves, groups and society. Behavioural problems will reduce because the children will have their own set of values and thoughts that impact positively on attitudes and behaviour. Once again this will have a direct impact in breaking the cycle of deprivation.

The benefits are that children will develop skills to be respectful and successful in all interactions. In class, there will be more emphasis on learning by doing, more discussion, debating and children thinking for themselves. Teachers become facilitators where children are more independent and work loads are reduced as a result of this independence. Staff are valued as experts in teaching and in turn, this again increases our positive reputation with stakeholders and staff who never want to leave.

#### Objectives

1. We build a culture that allows each individual to achieve a unique understanding of self and the skills to fulfil their potential.
  2. We build a framework of personal attributes that leads to a measurable progression.
  3. We actively plan to increase the happiness of all pupils
    1. Look inside – self-reflection and calming
    2. Move outside – play outdoors
    3. Share more – connection, communication, teamwork
    4. Be curious – exploration and making things
    5. Be kind – care for self, others and the environment
-

## **Coast Academies**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 August 2021**

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##### **Considerations**

- Developing a growth mindset, a positive attitude and building self-esteem and wellbeing.
- Children understanding their own learning and talking about this. For example, presenting a review on their own development at parent's evening
- Designing a values-based curriculum built on a framework of measurable personal attributes and values that is shared with parents and can be clearly tracked
- Through the actions we take we make inclusion of all, implicit
- We need to build on what we already do well since much of this already happens in our schools
- We need to support our leaders and staff so that all who are on board are capable of achieving this and our strong teaching must take account of the socio-economic environment and emotional and mental health needs of pupils

##### **Indicators**

- We are all able to articulate the attributes development of each child and children will better understanding how they learn (meta cognition) and their progress against a values framework
- Children will feel they know themselves, become happier, learn more and contribute more
- Increases in innovation, resilience and change management and evidence of staff creating opportunities for children to develop character
- Enhanced behaviour for learning
- Our children go on to achieve success in the future

##### ***Citizenship***

###### ***We prepare children to be active global citizens.***

This involves prioritising sustainable living, preparing children to look after the planet, and reversing what we have since the industrial revolution. We will provide children with the knowledge and skills to do this and to lead sustainable lives. This is about creating an acorn project which we invest in now and benefit from long into the future.

This is important as it is on the world stage agenda as identified in the UNESCO 17 sustainable living goals, something we should embed as the knowledge we share and teach. This is about empowering our children to challenge the status quo and as a result, change the environment for their future.

The jobs of the future will be for those who are working in this realm and we will begin to develop the skills, knowledge, understanding and attributes needed. This becomes a strong piece of marketing, making our schools appealing to parents by creating an exciting and appealing difference to other schools. The benefits are that we will support the sustainable future of the human race, fill our schools, build our reputation and push our children's value up in the job market. This is about our children's future.

# **Coast Academies**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 August 2021**

---

##### **Objectives**

1. We equip pupils with the knowledge, skills and confidence to make a positive difference to the society in which they live – locally, nationally, globally.
2. We have an understanding of all the elements that make up being an active citizen.
  1. Knowledge and understanding of laws and rules
  2. Democracy
  3. Media
  4. Human rights
  5. Diversity
  6. Money and economy
  7. Sustainable development
  8. The world as a global economy
3. We commit to sustainable development.

##### **Considerations**

- We need to shake up the status quo but in a positive and meaningful way bringing parents alongside to work with us
- The curriculum and teaching will be relevant and current
- Teachers will be excited by this but also may be stressed because it will push them out of their comfort zones so we need to support, guide, train and develop whilst being aware of, and managing, external pressures
- We need clear and focused leadership who are capable of driving this forward, and who can create and manage the plan
- This will need a lot of innovation and financial support meaning we will need to compete for funding

##### **Indicators**

- Pupils are equipped with the skills and knowledge to be active and positive citizens
- We need leadership from our trust board to achieve this. We need to practice what we preach and reap what we sow through our ethos and our way of working. We must uphold what we mean and act as role models.
- Achieving small steps in the right direction towards fulfilling the UNESCO 17 goals
- Recognising the value of these small step changes and embedding them in new culture

# Coast Academies

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

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#### Strategic report

##### Achievements and Performance

We have been very successful with CIF Bids in this financial year, these are detailed below. Some of the works had a delayed start due to COVID and the late approval of the bids so have run throughout the year.

##### Eden Park

##### Security Funding (£197,619)

Installation of:-

- A full access control system on all external doors and entrance gates
- Upgrade CCTV Internally/Externally
- Perimeter Fencing
- Replacement Windows
- Boundary Wall repairs

##### Fire Protection (£179,694)

Installation of:-

- Upgrade of fire evacuation building fabric
- upgrade of fire alarm systems to L1 standard to include emergency lighting
- Upgrade of fire doors/glazing etc. to L1 standard.

##### Cockington

##### Toilet Refurbishment (£144,555)

- Upgrade of existing toilet area's to include unisex toilets.

##### Preston

##### Security/safeguarding (£197,719)

Installation of:-

- A full access control system on all external doors and entrance gates
- Perimeter Fencing/Entrance Gates with access control
- Relocate Bin Store
- Upgrade CCTV Internally/Externally
- Upgrade access control Internally/Externally

##### Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - the amount of carry forward is restricted to 12%/the restriction has been removed in the year. In period under review, £63K was carried forward representing 1.2% of GAG.

The following KPI's were set at the start of the year;

	Target	Actual
Staff Cost % Revenue income	77%	75%
Teaching Staff Cost % Total Staff Cost	60%	60%
Educational Support Staff Cost % Total Staff Cost	34%	32%
Support Staff Cost % Total Staff Cost	6%	7%
Spend per pupil for non-pay expenditure	£1,289.32	£1,379.32
Surplus % of income	0%	1%

# **Coast Academies**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 August 2021**

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##### **Financial Review**

Most of the Academy 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 2021 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 Academy's accounting policies.

During the year ended 31 August 2021, the Trust received total income of £7,847K and incurred total expenditure of £8,267K. The excess of expenditure over income for the year was £420K.

At 31 August 2021 the net book value of fixed assets was £13,392K and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the 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 24 to the financial statements.

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

##### **Reserves Policy**

The Trustees have determined that the appropriate level of free reserves should be a minimum of £240k. The reason for this is to provide sufficient working capital to cover unexpected emergencies such as urgent maintenance, fall in pupil numbers. Total reserves of the Trust amount to £13,869K (excluding the defined benefit pension liability), although £13,492K of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £377K (representing £314K unrestricted funds and £63K unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents half a month of normal recurring expenditure.

##### **Principal Risks and Uncertainties**

The Board of Trustees has reviewed the major 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 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.

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## **Coast Academies**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

##### **Year ended 31 August 2021**

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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.

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

The 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 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 Trust. 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 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 in some schools, the PAN has been reduced in Cockington due to decreasing numbers and risks to revenue funding from a falling roll are increasing in Eden Park too. Additionally 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.

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## Coast Academies

### Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

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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.

#### 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.

#### Funds held as custodian trustee on behalf of others

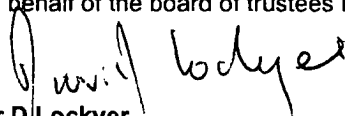
The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

#### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 9<sup>th</sup> December and signed on behalf of the board of trustees by:

  
**Mr D Lockyer**  
Chair of Trustees

# Coast Academies

## Company Limited by Guarantee

### Governance Statement *(continued)*

Year ended 31 August 2021

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#### 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 Coast Academies 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 T Stephens	3	3
Mr K Kies	3	3
Mr D Lockyer	3	3
Mr G Nichols	3	3
Mrs L Smith	3	3
Mrs S Bevan	3	3
Mr C Corkerton	2	2

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

Trustee	Meetings attended	Out of a possible
Mr K Kies	3	3
Mr T Stephens	3	3
Mr D Lockyer	3	3
Mr C Corkerton	2	2

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

#### Review of Value for Money

As Accounting Officer the CEO has responsibility for ensure 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 wider societal outcomes achieved in return for the tax payer resources received.

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# **Coast Academies**

## **Company Limited by Guarantee**

### **Governance Statement** *(continued)*

#### **Year ended 31 August 2021**

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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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coast Academies for the period 1 September 2020 to 31 August 2021 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 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 Risk and Audit Committee of reports which indicate financial performance against the forecasts, and capital works and expenditure programmes.
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

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

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## Coast Academies

### Company Limited by Guarantee

#### Governance Statement *(continued)*

Year ended 31 August 2021

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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 the current period a Risk Management review has taken place, performed by Bishop Fleming, this provided a positive assessment of the Trust's risk management processes.

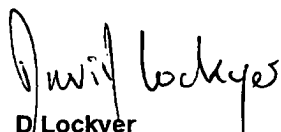
#### Review of Effectiveness


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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on <sup>9th</sup> December and signed on its behalf by:

  
**D Lockyer**  
Chair of Trustees

  
**K Kies**  
Accounting Officer

## **Coast Academies**

### **Company Limited by Guarantee**

### **Statement of Regularity, Propriety and Compliance**

**Year ended 31 August 2021**

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As accounting officer of Coast Academies, I have considered my responsibility to notify the academy trust board of trustees and the Education and 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 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2020.

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**  
CEO

Date:

# Coast Academies

## Company Limited by Guarantee

### Statement of Trustees' Responsibilities

Year ended 31 August 2021

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

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

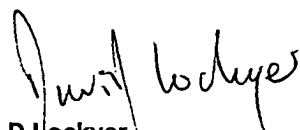
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 on 9<sup>th</sup> December and signed on its behalf by:



D Lockyer  
Chair of Trustees

# **Coast Academies**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Coast Academies**

**Year ended 31 August 2021**

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#### **Opinion**

We have audited the financial statements of Coast Academies (the 'Trust') for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charity SORP 2019 and Academies Accounts Direction 2020 to 2021.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## **Coast Academies**

### **Company Limited by Guarantee**

#### **Independent Auditor's Report to the Members of Coast Academies *(continued)***

**Year ended 31 August 2021**

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##### **Other information**

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

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

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity 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.

# Coast Academies

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Coast Academies *(continued)*

Year ended 31 August 2021

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#### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The Trust is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, and anti-money laundering.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Coast Academies

### Company Limited by Guarantee

#### Independent Auditor's Report to the Members of Coast Academies *(continued)*

#### Year ended 31 August 2021

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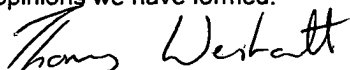
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Croney ACA (Senior Statutory Auditor)

For and on behalf of

Thomas Westcott

Chartered accountants & statutory auditor

Plym House

3 Longbridge Road

Plymouth

PL6 8LT

20 December '21

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## **Coast Academies**

### **Company Limited by Guarantee**

#### **Independent Reporting Accountant's Assurance Report on Regularity to Coast Academy Trust and the Education and Skills Funding Agency *(continued)***

##### **Year ended 31 August 2021**

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In accordance with the terms of our engagement letter dated 15 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Coast Academies during the period 1 September 2020 to 31 August 2021 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Coast Academies and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Coast Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

##### **Respective responsibilities of Coast Academies accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Coast Academies funding agreement with the Secretary of State for Education dated 30 June 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

## Coast Academies

### Company Limited by Guarantee

#### Independent Reporting Accountant's Assurance Report on Regularity to Coast Academy Trust and the Education and Skills Funding Agency *(continued)*

Year ended 31 August 2021

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The work undertaken to draw to our conclusion includes:

- A review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.
- Detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included review and detailed substantive testing of transactions.

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Adam Croney ACA (Senior Statutory Auditor)

For and on behalf of  
Thomas Westcott  
Chartered accountants & statutory auditor  
Plym House  
3 Longbridge Road  
Marsh Mills  
Plymouth  
Devon  
PL6 8LT

20 December '21

# Coast Academies

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2021

		2021			2020
	Note	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds (restated) £000
<b>Income</b>					
Donations and capital grants	2	17	–	617	251
Charitable activities	3	12	7,121	–	6,675
Other trading activities	4	80	–	–	86
<b>Total income</b>		<u>109</u>	<u>7,121</u>	<u>617</u>	<u>7,012</u>
<b>Expenditure</b>					
Charitable activities	5,6	112	7,876	279	7,574
<b>Total expenditure</b>		<u>112</u>	<u>7,876</u>	<u>279</u>	<u>7,574</u>
<b>Net income/(expenditure)</b>		<u>(3)</u>	<u>(755)</u>	<u>338</u>	<u>(562)</u>
Transfers between funds		–	–	–	–
<b>Net movement in funds before other recognised gains/losses</b>		<u>(3)</u>	<u>(755)</u>	<u>338</u>	<u>(562)</u>
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes		–	(457)	–	(839)
<b>Net movement in funds</b>		<u>(3)</u>	<u>(1,212)</u>	<u>338</u>	<u>(1,401)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		317	(4,760)	13,154	10,112
<b>Total funds carried forward</b>		<u>314</u>	<u>(5,972)</u>	<u>13,492</u>	<u>8,711</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 18 to 38 form part of these financial statements.

# Coast Academies

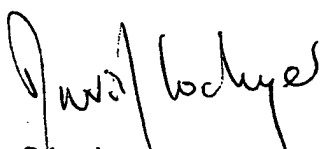
## Company Limited by Guarantee

### Statement of Financial Position

31 August 2021

	Note	2021 £000	2020 (restated) £000
<b>Fixed assets</b>			
Tangible fixed assets	12	13,392	13,038
<b>Current assets</b>			
Debtors	13	779	565
Cash at bank and in hand		377	646
		<u>1,156</u>	<u>1,211</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>618</u>	<u>567</u>
<b>Net current assets</b>		<u>538</u>	<u>644</u>
<b>Total assets less current liabilities</b>		<u>13,930</u>	<u>13,682</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>61</u>	<u>48</u>
<b>Net assets excluding defined benefit pension plan liability</b>		<u>13,869</u>	<u>13,634</u>
<b>Defined benefit pension plan liability</b>	24	<u>6,035</u>	<u>4,923</u>
<b>Total net assets</b>		<u>7,834</u>	<u>8,711</u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds		13,492	13,154
Income fund		63	163
Pension reserve		(6,035)	(4,923)
<b>Total restricted funds</b>		<u>7,520</u>	<u>8,394</u>
<b>Unrestricted funds</b>		<u>314</u>	<u>317</u>
<b>Total funds</b>	17	<u>7,834</u>	<u>8,711</u>

These financial statements were approved by the board of trustees and authorised for issue on ~~14th December~~ and are signed on behalf of the board by:

  
**D Lockyer**  
Chair of Trustees

  
**Mr K Kies**  
CEO

The notes on pages 18 to 38 form part of these financial statements.

## **Coast Academies**

**Company Limited by Guarantee**

### **Statement of Cash Flows**

**Year ended 31 August 2021**

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	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	<b>19</b>	<b>(252)</b>	<b>(202)</b>
<b>Cash flows from financing activities</b>	<b>20</b>	<b>(17)</b>	<b>(253)</b>
<b>Cash flows from investing activities</b>	<b>21</b>	<b>–</b>	<b>–</b>
<b>Net increase in cash and cash equivalents</b>		<b>(269)</b>	<b>(443)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>646</b>	<b>1,089</b>
<b>Cash and cash equivalents at end of year</b>	<b>22</b>	<b>377</b>	<b>646</b>

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**The notes on pages 18 to 38 form part of these financial statements.**

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# **Coast Academies**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 August 2021**

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#### **1. Accounting policies**

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

##### **Basis of preparation**

The financial statements of the academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Coast Academies meets the definition of a public benefit entity under FRS 102.

##### **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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

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

##### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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# **Coast Academies**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 August 2021**

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#### **Donations**

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

#### **Other trading income**

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

#### **Donated fixed assets**

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

#### **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**

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

#### **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

# **Coast Academies**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 August 2021**

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#### **Tangible assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold property	-	50 years
Fixtures and fittings	-	3 - 4 years
Computer equipment	-	3 years

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

#### **Liabilities**

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

#### **Provisions**

Provisions are measured at the best estimate of the amounts required to settle the obligation.

#### **Leased assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### **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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 August 2021

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Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. 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.

#### **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.

#### **Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

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# **Coast Academies**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 August 2021**

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#### **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.

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **Critical areas of judgement**

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 statement of financial position.

#### **Prior year adjustment**

The Statement of Financial Activities and the Statement of Financial Position have been restated for the comparative year, correcting a prior year error. Money received of £20,958 was incorrectly recognised as income instead of a loan. Income has therefore been reduced and creditors at the year end increased. The restatement affected the Restricted fixed asset fund. The funds brought forward have been corrected for the amendment.

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# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### 2. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Asset Funds £000	Total Funds 2021 £000
Donations	17	-	-	17
Donated fixed assets	-	-	72	72
Capital Grants	-	-	545	545
	<u>17</u>	<u>-</u>	<u>617</u>	<u>634</u>

	Unrestricted Funds £000	Restricted Funds £000	Restricted Asset Funds £000	Total Funds 2020 £000
Donations	6	-	-	6
Capital Grants	-	-	245	245
	<u>6</u>	<u>-</u>	<u>245</u>	<u>251</u>

#### 3. Funding for the academy trust's educational operations

	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total 2021 £000
<b>DfE / ESFA grants</b>			
General Annual Grant	-	5,236	5,236
Other DfE / ESFA grants			
UFSM	-	134	134
Pupil Premium	-	574	574
Others	-	484	484
		<u>6,428</u>	<u>6,428</u>
<b>Other Government grants</b>			
High Needs	-	316	316
Other government grants non capital	-	182	182
		<u>498</u>	<u>498</u>
<b>Other income</b>			
Other	12	195	207
	<u>12</u>	<u>7,121</u>	<u>7,133</u>

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total 2020 £000
<b>DfE / ESFA grants</b>			
General Annual Grant	-	5,017	5,017
Other DfE / ESFA grants	-	1,073	1,073
		6,090	6,090
<b>Other Government grants</b>			
High Needs	-	248	248
Other government grants non capital	-	40	40
		288	288
<b>Exceptional government funding</b>			
Coronavirus exceptional support	-	101	101
<b>Other income</b>			
Other		196	196
	-	297	297
	-	6675	6,675

<b>4. Other trading activities</b>			
	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2021 £000
Lettings	23	-	23
Fees received	57	-	57
	80	-	80
	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2020 £000
Lettings	24	-	24
Other income	62	-	62
	86	-	86

<b>5. Expenditure</b>				Total Funds 2021 £000
	Staff Costs £000	Premises £000	Other £000	
Education:				
Direct costs	4,956	181	464	5,601
Allocated support costs	1,422	98	973	2,493
Nursery:				
Direct costs	171	-	-	171
Allocated support costs	-	-	2	2
	6,549	279	1,439	8,267

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements (continued)

Year ended 31 August 2021

#### 5. Expenditure (cont'd)

	Staff Costs £	Premises £	Other £	Total Funds 2020 £
Education:				
Direct costs	4,549	182	570	5,301
Allocated support costs	1,154	470	495	2,119
Nursery:				
Direct costs	152	—	—	152
Allocated support costs	—	—	2	2
	<u>5,855</u>	<u>652</u>	<u>1,067</u>	<u>7,574</u>

#### 6. Analysis of support costs

	Education £000	Nursery £000	Total funds 2021 £000	Total Funds 2020 £000
Pension finance cost	76	—	76	62
Educational supplies	—	2	2	2
Recruitment and support	13	—	13	14
Maintenance of premises and equipment	119	—	119	138
Cleaning	129	—	128	101
Rent and rates	24	—	24	26
Energy costs	94	—	94	82
Insurance	30	—	30	37
Security and transport	54	—	54	48
Catering	250	—	250	210
Technology costs	13	—	12	22
Office overheads	67	—	67	53
Legal costs	3	—	3	3
Professional fees	165	—	165	125
Supply staff	18	—	18	18
Staff development	13	—	13	6
Wages and salaries	609	—	609	547
National insurance	41	—	41	36
Pensions costs	677	—	677	554
Depreciation	98	—	98	37
	<u>2,493</u>	<u>2</u>	<u>2,495</u>	<u>2,121</u>

#### 7. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets	279	219
Fees paid to auditors for:		
- Audit	5	5
- Other services	3	6

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### 8. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£000	£000
Wages and salaries	4,615	4,167
Social security costs	372	342
Pension costs	1,562	1,287
	<u>6,549</u>	<u>5,796</u>

The average head count of employees during the year was 220 (2020: 201). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Teachers	167	144
Support and Administration	43	47
Management	10	10
	<u>220</u>	<u>201</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2021	2020
	No.	No.
£60,000 to £69,999	3	3
£70,000 to £79,999	–	–
£80,000 to £89,999	1	–
£90,000 to £99,999	–	1
	<u>4</u>	<u>4</u>

#### Key Management Personnel

The key management personnel of the 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 Trust was £821,837 (2020: £795,002).

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### 9. 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

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Cockington Primary School	282	250
Eden Park Primary School	193	203
Preston Primary School	159	157
	<u>634</u>	<u>610</u>

These are recharged based on a pupil number split of actual costs.

#### 10. Trustee 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 Trustee's remuneration and other benefits was as follows: K Kies: Remuneration £80,000 - £85,000 (2020: £80,000 - £85,000), employer's pension contributions £15,000 - £20,000 (2020: £15,000 - £20,000).

#### 11. Trustees' and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme.

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### 12. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2020	14,285	468	521	15,274
Additions	564	13	56	634
<b>At 31 August 2021</b>	<b>14,849</b>	<b>481</b>	<b>577</b>	<b>15,908</b>
<b>Depreciation</b>				
At 1 September 2020	1,473	419	344	2,236
Charge for the year	181	16	82	279
<b>At 31 August 2021</b>	<b>1,654</b>	<b>435</b>	<b>426</b>	<b>2,515</b>
<b>Carrying amount</b>				
<b>At 31 August 2021</b>	<b>13,195</b>	<b>46</b>	<b>151</b>	<b>13,392</b>
At 31 August 2020	12,812	49	177	13,038

#### 13. Debtors

	2021 £000	2020 £000
Trade debtors	1	1
Prepayments and accrued income	734	489
VAT recoverable	44	75
	<b>779</b>	<b>565</b>

#### 14. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Loans and overdrafts	18	44
Accruals and deferred income	408	348
Social security and other taxes	89	78
Other creditors	103	97
	<b>618</b>	<b>567</b>

#### 15. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Loans and overdrafts	61	48

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### 16. Deferred income

	2021 £000	2020 £000
At 1 September 2020	197	97
Amount released to income	(197)	(97)
Amount deferred in year	83	197
<b>At 31 August 2021</b>	<b>83</b>	<b>197</b>

At the balance sheet date the academy trust was holding funds of £83,335 received in advance for rates relief and free school meals for the autumn term 2021.

#### 17. Analysis of charitable funds

##### Unrestricted funds

	1 Sep 20 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 21 £000
General funds	77	109	(112)	—	—	74

##### Designated Funds

	1 Sep 20 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 21 £000
Trust Designated Reserve	240	—	—	—	—	240

##### Restricted funds

	1 Sep 20 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 21 £000
General Annual Grant (GAG)	122	5,236	(5,295)	—	—	63
Pupil premium	—	574	(574)	—	—	—
PE Grant	—	59	(59)	—	—	—
Other restricted income	41	1,252	(1,293)	—	—	—
Pension reserve	(4,923)	—	(655)	—	(457)	(6,035)
	<b>(4,760)</b>	<b>7,121</b>	<b>(7,221)</b>	<b>—</b>	<b>—</b>	<b>(5,972)</b>

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### Restricted Fixed Asset Fund

	1 Sep 20 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 21 £000
Other LA capital	8,832	—	(93)	—	—	8,739
Fixed assets purchased from GAG	235	—	(89)	—	—	146
Dfe/ESFA capital grants	1,711	545	(27)	—	—	2,250
Capital LA Burserly	9	—	—	—	—	9
Assets donated by Torbay Council	2,347	—	(68)	—	—	2,279
Assets donated by DfE	—	72	(2)	—	—	70
Donations from Acorns Nursery	20	—	—	—	—	20
	<u>13,154</u>	<u>617</u>	<u>(279)</u>	<u>—</u>	<u>—</u>	<u>13,492</u>

The Academy Trust is not subject to GAG carried forward limits.

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

#### Designated funds

This represents the Trust's designated reserved, 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.

## **Coast Academies**

### **Company Limited by Guarantee**

#### **Notes to the Financial Statements** *(continued)*

**Year ended 31 August 2021**

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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 to 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.

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

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements (continued)

Year ended 31 August 2021

#### Analysis of Academies by fund balance

	2021 £000	2020 £000
Cockington Primary School	160	253
Eden Park Primary School	28	122
Preston Primary School	189	105
Total before fixed asset fund and pension reserve	377	480
Restricted fixed asset fund	13,492	13,154
Pension reserve	(6,035)	(4,923)
	<u>7,834</u>	<u>8,711</u>

#### Analysis of Academies by cost

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Central	113	1,072	39	146	1,370	718
Cockington Primary School	2,272	117	165	362	2,916	2,922
Eden Park Primary School	1,610	146	111	284	2,151	2,032
Preston Primary School	1,150	98	72	231	1,551	1,682
	<u>5,145</u>	<u>1,433</u>	<u>387</u>	<u>1,023</u>	<u>7,998</u>	<u>7,354</u>

#### Unrestricted funds

	1 Sep 19 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 20 £000
General funds	199	116	(224)	(14)	—	77

#### Designated Funds

	1 Sep 19 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 20 £000
Trust Designated Reserve	240	—	—	—	—	240

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements (continued)

Year ended 31 August 2021

#### Restricted funds

	1 Sep 19 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 20 £000
General Annual Grant (GAG)	330	5,017	(5,017)	(208)	–	122
Pupil premium	2	578	(580)	–	–	–
PE Grant	2	59	(61)	–	–	–
MAT Improvement Grant	3	–	(3)	–	–	–
Other restricted income	12	997	(968)	–	–	41
Project Development Grant	5	–	(5)	–	–	–
Pension reserve	(3,570)	–	(496)	–	(857)	(4,923)
	<u>(3,216)</u>	<u>6,651</u>	<u>(7,130)</u>	<u>(208)</u>	<u>(857)</u>	<u>(4,760)</u>

#### Restricted Fixed Asset Fund

	1 Sep 19 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (Losses) £000	31 Aug 20 £000
Other LA capital	8,984	–	(152)	–	–	8,832
Fixed assets purchased from GAG	280	–	(45)	–	–	235
Dfe/ESFA capital grants	1,248	245	(22)	222	18	1,711
Capital LA Bursery	9	–	–	–	–	9
Assets donated by Torbay Council	2,347	–	–	–	–	2,347
Donations from Acorns Nursery	20	–	–	–	–	20
	<u>12,888</u>	<u>245</u>	<u>(219)</u>	<u>222</u>	<u>18</u>	<u>13,154</u>

#### 18. Analysis of net assets between funds

	Unrestricted Funds £000	Restricted Funds £000	Restricted Asset Funds £000	Total Funds 2021 £000
Tangible fixed assets	–	–	13,392	13,392
Current assets	314	660	182	1,156
Creditors less than 1 year	–	(597)	(21)	(618)
Creditors greater than 1 year	–	–	(61)	(61)
Defined benefit pension	–	(6,035)	–	(6,035)
<b>Net assets</b>	<u>314</u>	<u>(5,972)</u>	<u>13,492</u>	<u>7,834</u>

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

	Unrestricted Funds £000	Restricted Funds £000	Restricted Asset Funds £000	Total Funds 2020 £000
Tangible fixed assets	–	–	13,038	13,038
Current assets	331	661	219	1,211
Creditors less than 1 year	(14)	(498)	(34)	(546)
Creditors greater than 1 year	–	–	(48)	(48)
Defined benefit pension	–	(4,923)	–	(4,923)
<b>Net assets</b>	<b>317</b>	<b>(4,760)</b>	<b>13,154</b>	<b>8,711</b>

#### 19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the period (as per Statement of Financial Activities)	(420)	(540)
<b>Adjustments for:</b>		
Depreciation	279	219
Capital grants from DfE and other capital income	(617)	(266)
Defined benefit pension scheme cost less contributions payable	577	433
Defined benefit pension scheme finance cost	78	63
Decrease/(increase) in debtors	(213)	(53)
(Decrease)/increase in creditors	64	(58)
<b>Net cash provided by operating activities</b>	<b>(252)</b>	<b>(202)</b>

#### 20. Cash flows from financing activities

	2021 £000	2020 £000
Capital funding received from sponsors	–	–
<b>Net cash provided by/(used in) financing activities</b>	<b>–</b>	<b>–</b>

#### 21. Cash flows from investing activities

	2021 £000	2020 £000
Capital grants from DfE Group	617	47
Assets funded from GAG	(634)	(300)
<b>Net cash (used in)/ investing activities</b>	<b>(17)</b>	<b>(253)</b>

## Coast Academies

### Company Limited by Guarantee

#### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### 22. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	377	646
<b>Total cash and cash equivalents</b>	<b>377</b>	<b>646</b>

#### 23. Analysis of changes in net debt

	At 1 Sep 2020 £000	Cash flows £000	At 31 Aug 2021 £000
Cash at bank and in hand	646	(269)	377
Debt due within one year	(23)	23	–
Debt due after one year	(48)	48	–
	<b>575</b>	<b>(198)</b>	<b>377</b>

#### 24. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cornwall Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £69,000 were payable to the schemes at 31 August 2021 (2019/20: £71,000) and are included within creditors.

##### Teachers' pension scheme

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.

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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#### Valuation of the teachers' pension scheme

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 every 4 years. 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% administration levy)
- 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 4.45%.

#### Pension commitments *(continued)*

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 £586,877 (2020 - £535,718)

A copy of the valuation report and supporting documentation is on the Teachers' Pension website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £474,000 (2020 - £372,000), of which employer's contributions totalled £367,000 (2020 - £276,000) and employees' contributions totalled £107,000 (2020 - £96,000). The agreed contribution rates for future years are 17.6% for employers and 6.5% averagely for employees.

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

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# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

#### Principal actuarial assumptions

	2021	2020
	£	£
Rate of increase in salaries	3.9	3.25
Rate of increase for pensions in payment/inflation	2.9	2.25
Discount rate for scheme liabilities	1.65	1.6

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	22.7	22.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	24.0	24.3
Females	25.4	25.5

#### Pension commitments *(continued)*

##### Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(269)	(212)
Discount rate -0.1%	276	217
Mortality assumption – 1 year increase	414	388
Mortality assumption – 1 year decrease	(398)	(288)
CPI rate +0.1%	255	201
CPI rate -0.1%	(249)	(196)

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

	2021 £000	2020 £000
Equities	2,968	2,127
Gilts	607	126
Corporate Bonds	90	168
Property	379	283
Cash and other liquid assets	29	41
Alternative assets	–	227
Infrastructure	229	143
Target return portfolio	441	448
<b>Total market value of assets</b>	<b>4,743</b>	<b>3,563</b>

The actual return on scheme assets was £757,000 (2020 - £13,000).

# Coast Academies

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 August 2021

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

	2021	2020
	£000	£000
Current service costs	(944)	(744)
Interest income	60	63
Interest cost	(136)	(125)
Administration costs	(2)	(2)
<b>Total amount recognised in the statement of financial activities</b>	<b>(1,022)</b>	<b>(808)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2021	2020
	£000	£000
<b>At 1 September</b>	<b>8,486</b>	<b>6,733</b>
Current service cost	944	744
Interest cost	136	125
Employee contributions	107	96
Actuarial losses/(gains)	1,154	828
Benefits paid	(49)	(40)
<b>At/ 31 August</b>	<b>10,778</b>	<b>8,486</b>

#### Pension commitments *(continued)*

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2021	2020
	£000	£000
<b>At 1 September</b>	<b>3,563</b>	<b>3,163</b>
Interest income	60	62
Actuarial (loss)/gains	697	(29)
Employer contributions	367	313
Employee contributions	107	96
Effect of non-routine settlements	(49)	(40)
Administration	(2)	(2)
<b>At 31 August</b>	<b>4,743</b>	<b>3,563</b>

#### 25. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	11	12
Later than 1 year and not later than 5 years	2	7
	<b>13</b>	<b>19</b>

## **Coast Academies**

### **Company Limited by Guarantee**

#### **Notes to the Financial Statements** *(continued)*

**Year ended 31 August 2021**

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##### **26. Members' liability**

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

##### **27. Related parties**

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 £23,420 (2020: £23,400) from Acorns 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.

##### **28. Events after the reporting date**

Coast Academies are approaching the Advisory Board to merge with Connect Academy Trust after a lengthy review of merger options, however as at the accounts signing date no formal decision has been reached.