

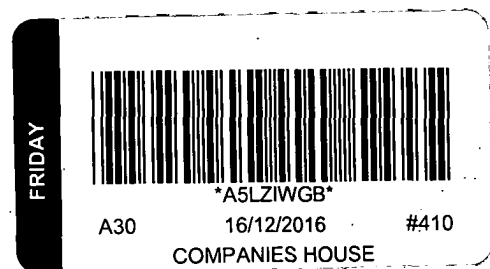
# Coast Academies

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

Registration number: 07668923



## **Coast Academies**

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## **Coast Academies**

### **Reference and Administrative Details**

<b>Members</b>	Mrs V Dixon, Vice Chair Mrs C Toms Ms L Williams Mr T Stephens (appointed 1 April 2016) Mr P Tape (appointed 1 April 2016)
<b>Directors</b>	Mrs V Dixon, Chair Of Directors Mr B Harris Mr K Kies, Executive Head Mr C Morris (resigned 23 November 2015) Mr R Stratford Mr P O'Connor Mr D Cartwright-Lomax (appointed 1 April 2016) Mr T Stephens (appointed 1 April 2016) Mr P Tape (appointed 1 April 2016)
<b>Company Secretary</b>	Mrs S A Williscroft
<b>Senior Leadership Team</b>	Mr K Kies, Executive Head and CEO Ms A Clayton, Assistant Head Ms D Mawbey, Assistant Head Mr I Morgan, Head of School Mr S Ord, Head of School Ms M Oliver, Assistant Head Ms E King, Assistant Head Mr A Stark, Head of Finance Mr R Meek, Head Teacher Ms S Carter, Deputy Head Mr R Pearson, Assistant Head Mr J Sharman, Assistant Head Mrs D Harding, School Business Manager
<b>Principal and Registered Office</b>	Minerva House Orchard Way Edginswell Park Torquay Devon TQ2 7FA
<b>Company Registration Number</b>	07668923

## **Coast Academies**

### **Reference and Administrative Details (continued)**

<b>Independent Auditors</b>	PKF Francis Clark Chartered Accountants & Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay Devon TQ2 7FF
<b>Bankers</b>	Lloyds TSB plc 2 Palace Avenue Paignton Devon TQ3 3ER
<b>Solicitors</b>	Kitsons Limited Liability Partnership Minerva House Orchard Way Edginswell Park Torquay Devon TQ2 7FA

## **Coast Academies**

### **Directors' Report for the Year Ended 31 August 2016**

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

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

The Academy Trust comprises of three primary schools and a pre-school nursery.

#### ***Constitution***

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The directors of Coast Academies are also the directors of the charitable company for the purposes of company law. The charitable company is known as Coast Academies.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### ***Members' liability***

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

#### ***Directors' indemnities***

The Academy Trust through its Articles has indemnified its Directors to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Directors.

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

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

#### ***Policies and procedures adopted for the induction and training of Directors***

Prior to joining all prospective directors meet with the CEO, the chair of the board and tour both schools with the respective Head of School. They are then required to attend a meeting as an observer. Key policies and documentation are shared and courses are offered in conjunction with bespoke training from our legal partners Browne and Jacobson.

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

The Board of Directors has responsibility for establishing a pay policy for all staff, and for seeing that it is followed. It considers and approves the overall pay structure for all staff. The Board of Directors will review this policy annually or when circumstances require it and will consult staff and recognised professional associations as part of the review.

The Board of Directors will monitor the outcomes of pay decisions, including the extent to which different groups of teachers may progress at different rates, ensuring the Academy's continued compliance with equalities legislation. The Board of Directors has delegated the administration and implementation of the Pay Policy to a Pay Committee.

## **Coast Academies**

### **Directors' Report for the Year Ended 31 August 2016 (continued)**

#### ***Organisational structure***

The board of directors meets four times a year and is responsible for the overall strategic direction of the trust, holding the CEO to account for the standards and outcomes for pupils and ensuring best value. Academy Councillors carry out an evidence gathering role on behalf of the directors and spend time in each school analysing data, meeting with leaders and making comparisons between schools. The councillors submit evidence forms to ensure that directors are fully informed.

Two directors act in the responsible officer role and are referred to as the designated accountable directors (DADs).

#### ***Related parties and other connected charities and organisations***

Coast Academies is a multi-academy trust comprising three large primary schools in Torbay. The trust was formed through the accreditation of Eden Park as a DFE sponsor which in turn led to Preston Primary joining in a supported role. The trust has recently been joined by Cockington Primary in April 2016 who have come aboard as strong partners, adding more capacity and enhancing all the benefits that come from a formal collaboration. Each school is connected with its own associated Parent Teachers Association namely Eden Park PTA and Friends of Preston Primary School (FOPPS) and Cockington PTA. A note of their activities is included within the Financial Statements.

#### **Objectives and activities**

##### ***Objects and aims***

The purpose of Coast Academies is to support a group of schools to "Achieve Excellence Together":

##### **Our Principles**









- A commitment to a culture of lifelong learning for all.
- A relentless pursuit of excellence in all aspects of school life.
- A purposeful curriculum, which is unique and reflects the school's geographical and cultural identity with strong links to the community and the outdoors.
- Strong emotional and pastoral care for all children.
- Robust systems for monitoring important areas of school life such as health and safety, safeguarding and the quality of teaching and learning.
- Successful partnerships with parents and families.

At Eden Park these aims are realised in the school's own vision which is for Eden Park to be "An exciting school with an irresistible curriculum and high expectations, committed to care, adventure and success". At Preston the vision is for the school to be "An outstanding coastal school, known for an innovative curriculum that delivers excellent outcomes for children". At Cockington the school's vision statement is 'Believe, Achieve, Succeed'.

## Coast Academies









### Directors' Report for the Year Ended 31 August 2016 (continued)

#### Objectives, strategies and activities

 <b>EDEN PARK PRIMARY SCHOOL ACADEMY</b> <b>IMPROVEMENT PRIORITIES</b>  <b>COAST ACADEMIES</b>					
 <p><b>Leadership and Management</b></p> <p>Robust systems for monitoring and achieving best progress</p> <p>An appraisal system which encourages challenge and capacity development</p> <p>Committing to develop staff and maximize pupil progress</p> <p>SMSC and British Values embedded and interwoven throughout the school</p>	 <p><b>Teaching, Learning and Assessment</b></p> <p>Lesson time used effectively by all teachers</p> <p>Feedback which maximizes progress for all pupils</p> <p>Lessons which actively challenge pupils' thinking</p> <p>A broad and balanced, well-planned curriculum</p>	 <p><b>Personal Development, Behaviour and Welfare</b></p> <p>Pupils and staff working together to prevent bullying and incorrect use of technology</p> <p>Consistently high expectations of behaviour</p> <p>Continuous and high profile focus on attendance</p> <p>Landmarks which promote our core values and provide for all children</p>	 <p><b>Outcomes for Pupils</b></p> <p>Achievement in Reading at KS2 to be consistently in line with national</p> <p>Pupil Premium paid at nearly double rate with the gap in other subjects</p> <p>A mastery approach to teaching and learning in maths across the school</p> <p>Greater, bolder and bolder teaching consistency and with clear progression</p>	 <p><b>Early Years Provision</b></p> <p>The children's Good Level of Development (GLD) in line with the national average</p> <p>Achievement of Best Premium children is aligned with other children</p> <p>A curriculum which ensures a broad range of stimulating and demanding experiences</p> <p>Strong parental contribution to their children's learning and development</p>	 <p><b>Coast Academies Key Priorities</b></p> <p>Use of coaching approach to support learning at all levels</p> <p>Strategic sharing of practice across the MAT to the benefit of all pupils</p> <p>Professional Development which encourages challenge and support of staff, ensuring opportunities for collaboration across and beyond own school</p>

## Coast Academies

### Directors' Report for the Year Ended 31 August 2016 (continued)

 <b>PRESTON PRIMARY SCHOOL IMPROVEMENT PRIORITIES</b> 					
 <p><b>Leadership and Management</b></p> <p>Robust systems for monitoring and achieving best practice</p> <p>Performance Management which encourages challenges and supports development</p> <p>Distributed leadership ensures standards are maintained across the school</p> <p>School and British Values embedded and interwoven throughout the school</p>	 <p><b>Teaching, Learning and Assessment</b></p> <p>Challenging tasks, thinking</p> <p>Planning ensures high expectations and challenge</p> <p>Marking and feedback: Opens pupils' knowledge, understanding and links</p> <p>A broad and balanced curriculum including enrichment and extra-curricular opportunities</p>	 <p><b>Personal Development, Behaviour and Welfare</b></p> <p>Pupils and staff working together to prevent bullying and incorrect use of technology</p> <p>Improve lunches in school and out</p> <p>Generation outdoor learning through our forest school and continuous provision in KS1</p> <p>Attendance expectations</p>	 <p><b>Outcomes for Pupils</b></p> <p>Close the gender gap in foundation stages for those children achieving CAG</p> <p>Close the pupil premium gap in writing, maths and reading in KS1</p> <p>Close the gender gap in writing</p> <p>A mastery approach to teaching and learning in the EYF and across the school</p>	 <p><b>Early Years Provision</b></p> <p>Further strengthen our parent partnership links</p> <p>Continue to strengthen links with feeder pre-schools and improve school readiness for all children</p> <p>Further develop the learning environment especially opportunities for outdoor learning</p> <p>An increased pace of progress for boys</p>	 <p><b>Coast Academies Key Priorities</b></p> <p>Use of coaching approach to support learning at all levels</p> <p>Strategic sharing of practice across the MAT to benefit all pupils</p> <p>Professional Development which encourages challenge and supports all staff</p> <p>Enhancing opportunities for collaboration within and beyond own school</p>

#### Public benefit

The Academy Trust provides educational services to all children in the local area. The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.



## Coast Academies

### Directors' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report

##### Achievements and performance

Tables showing the most recent data for all of our schools are included below:

% At Expected Standard	Reading	Writing	Maths	SPAG	RWM Combined
Eden Park	80%	90%	88%	80%	68%
Cockington	62%	70%	55%	65%	45%
Preston	80%	80%	78%	80%	67%

Progress Measures (Including confidence Interval)

	Reading	Writing	Maths
Eden Park	2.0 (0.4 to 3.6)	2.3 (0.7 to 3.9)	3.2 (1.8 to 4.6)
Cockington	-0.9 (-2.5 to 0.7)	-0.3 (-1.9 to 1.3)	-2.4 (-4.3 to -1.5)
Preston	3.2 (1.3 to 5.1)	0.6 (-1.3 to 2.5)	0.7 (-0.9 to 2.3)

Eden Park still has its "good" OFSTED grading and with results up again this year it is expected that this grade will be maintained. Preston still has a "requires improvement" grade from OFSTED but this is expected to be upgraded this year due to the greatly improved results. Cockington was graded "Good" in March 2016.

##### **Going concern**

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

##### **Plans for future periods**

The trust plans to grow further to enhance the benefits of collaboration. Talks are current underway with a number of local schools one of which has now expressed formal interest in joining the trust. A free school bid was submitted to the DFE in September setting out plans for the trust to open two free schools by 2020.

## **Coast Academies**

### **Directors' Report for the Year Ended 31 August 2016 (continued)**

#### **Strategic Report**

##### **Financial review**

The Academy is considered to be in a stable financial position for the forthcoming year.

Most of the Academy's income is obtained from the DfE via the EFA 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 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

The Academy Trust also receives funding from Torbay Council for pupil premium and special educational needs and funding towards nursery children.

Income in the period totalled £11,439,000 (2015: £6,412,000) and expenditure totalled £4,904,000 (2015: £3,459,000). After the loss of £1,225,000 (2015: £9,000) on the pension scheme, the total net movement in funds for the period was an increase of £5,310,000 (2015: £2,944,000).

The Academy adheres to the financial management policies as contained in the Finance Policy.

##### ***Reserves policy***

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

At 31 August 2016 the Academy's unrestricted funds were £256,000 (2015: £75,000) and the main restricted fund carried forward was £396,000 (2015: £278,000).

The Directors have made allowance for:

- Future planned expenditure that cannot be met from the annual budget,
- For the replacement of capital and infrastructure items; and
- The creation and maintenance of capacity to deal with unknown items of expenditure that cannot be expected to be funded from the annual budget.

##### ***Investment policy***

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

## Coast Academies

### Directors' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report

##### *Principal risks and uncertainties*

A risk register is maintained and regular reviewed by the senior leadership team, head of finance and the directors. Current risks include:

Current levels of staffing not sustainable should funding be reduced. Some temporary staff and flexi contracts have been built in to our structure to provide a buffer for this.

New national testing arrangements and assessment make predictions for future outcomes difficult. A lower OFSTED grade for either school would be a serious concern. Quality of teaching is strong in both schools however and this mitigates the risk significantly.

##### **Funds held as Custodian Trustee on behalf of others**

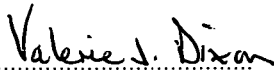
The Trust does not hold any funds on behalf of others.

##### **Auditor**

In so far as the Directors are aware:

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

Approved by order of the Board of Directors on 06/12/16 and signed on its behalf by:



Mrs V Dixon  
Director

## Coast Academies

### Governance Statement

#### Scope of responsibility

As Directors, 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 Governing Body has delegated the day-to-day responsibility to Mr K Kies, Headteacher, 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 Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs V Dixon	7	7
Mr B Harris	7	7
Mr K Kies	7	7
Mr C Morris	0	1
Mr R Stratford	7	7
Mr P O'Connor	6	7
Mr D Cartwright-Lomax	2	2
Mr T Stephens	2	2
Mr P Tape	2	2

#### Key Changes

Cockington Primary School joined Coast Academies from 1 April 2016. This resulted in the appointment on the same date of 3 new Directors namely Mr D Cartwright-Lomax, Mr T Stephens and Mr P Tape. Mr C Morris resigned on 23 November 2015.

## **Coast Academies**

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

#### **Review of value for money**

As accounting officer the governor has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

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

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coast Academies for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **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 Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;

## Coast Academies

### Governance Statement (continued)

- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- to appoint Devon Audit Partnership as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a 6 monthly basis, the auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors financial responsibilities.

The Academy can confirm that the internal auditor has delivered their schedule of work as planned. There were no material control or other issues reported by the internal auditor to date.

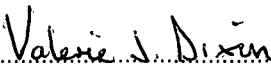
#### Review of effectiveness


As Accounting Officer, Mr K Kies, Headteacher 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 carried out by Devon Audit Partnership;
- the work of the external auditor carried out by Francis Clark accountants;
- 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. This is carried out by the designated accountable directors (DADs).

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

Approved by order of the members of the Governing Body on 06/12/16..... and signed on its behalf by:

  
.....  
Mrs V Dixon  
Chair and Director

  
.....  
Mr K Kies  
Accounting Officer

## **Coast Academies**

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

As Accounting Officer of Coast Academies I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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 Governing Body and EFA.



.....  
Mr K Kies  
Accounting Officer

Date:

## Coast Academies

### Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

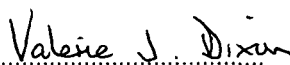
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 the EFA/DfE have been applied for the purposes intended.

The Directors 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 Governing Body on 06/12/16 and signed on its behalf by:

  
.....  
Mrs V Dixon  
Director



## **Coast Academies**

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

We have audited the financial statements of Coast Academies for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of Trustees and Auditors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 14), the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Coast Academies

### Independent Auditor's Report on the Financial Statements to the Members of Coast Academies (continued)

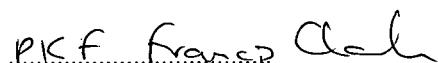
#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Sharon Austen (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
Devon  
TQ2 7FF

Date: 13 December 2016

## **Coast Academies**

### **Independent Reporting Accountant's Report on Regularity to Coast Academies and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 6 December 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Governing Body's 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 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

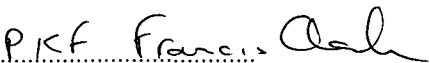
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

## Coast Academies

### Independent Reporting Accountant's Report on Regularity to Coast Academies and the Education Funding Agency (continued)

#### Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
.....

Sharon Austen

PKF Francis Clark, Chartered Accountants

Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
Devon  
TQ2 7FF

Date: 13 December 2016  
.....

## Coast Academies

### Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2016 £ 000
<b>Income and endowments from:</b>				
Voluntary income				
Donations and capital grants	2	155	(198)	7,001
				6,958
<i>Charitable activities:</i>				
Funding for the Academy Trust's educational operations	3	-	4,375	-
				4,375
Other trading activities	4	88	16	-
				104
Investments	5	2	-	-
				2
<b>Total</b>		<u>245</u>	<u>4,193</u>	<u>7,001</u>
				<u>11,439</u>
<b>Expenditure on:</b>				
Raising funds	6	49	31	-
				80
<i>Charitable activities:</i>				
Academy trust educational operations	7	15	4,564	245
				4,824
<b>Total</b>		<u>64</u>	<u>4,595</u>	<u>245</u>
				<u>4,904</u>
Net income/(expenditure)		181	(402)	6,756
				6,535
Transfers between funds		-	(84)	84
				-
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension schemes	27	-	(1,225)	-
				(1,225)
Net movement in funds/(deficit)		181	(1,711)	6,840
				5,310
<b>Reconciliation of funds</b>				
Total funds/(deficit) brought forward at 1 September 2015		<u>75</u>	<u>(610)</u>	<u>6,202</u>
				<u>5,667</u>
Total funds/(deficit) carried forward at 31 August 2016		<u>256</u>	<u>(2,321)</u>	<u>13,042</u>
				<u>10,977</u>

## Coast Academies

### Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

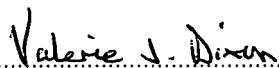
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2015 £ 000
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	3	-	496	499
Transfer from local authority on conversion		20	(329)	2,817	2,508
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	-	3,319	-	3,319
Other trading activities	4	58	28	-	86
Total		81	3,018	3,313	6,412
<b>Expenditure on:</b>					
Raising funds	6	45	28	-	73
<i>Charitable activities:</i>					
Academy trust educational operations	7	11	3,248	127	3,386
Total		56	3,276	127	3,459
Net income/(expenditure)		25	(258)	3,186	2,953
Transfers between funds		-	(12)	12	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	27	-	(9)	-	(9)
Net movement in funds/(deficit)		25	(279)	3,198	2,944
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2014		50	(331)	3,004	2,723
Total funds/(deficit) carried forward at 31 August 2015		75	(610)	6,202	5,667

# Coast Academies

## (Registration number: 07668923) Balance Sheet as at 31 August 2016

	Note	2016 £ 000	2015 £ 000
<b>Fixed assets</b>			
Tangible assets	13	12,852	5,990
<b>Current assets</b>			
Stocks	14	13	8
Debtors	15	195	351
Cash at bank and in hand		<u>1,187</u>	<u>588</u>
		1,395	947
Creditors: Amounts falling due within one year	16	<u>(524)</u>	<u>(382)</u>
Net current assets		<u>871</u>	<u>565</u>
Total assets less current liabilities		13,723	6,555
Creditors: Amounts falling due after more than one year	17	<u>(29)</u>	<u>-</u>
Net assets excluding pension liability		13,694	6,555
Defined benefit pension scheme liability	27	<u>(2,717)</u>	<u>(888)</u>
Total assets		<u><u>10,977</u></u>	<u><u>5,667</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		396	278
Restricted fixed asset fund		13,042	6,202
Restricted pension fund		<u>(2,717)</u>	<u>(888)</u>
		10,721	5,592
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>256</u>	<u>75</u>
Total funds		<u><u>10,977</u></u>	<u><u>5,667</u></u>

The financial statements on pages 19 to 48 were approved by the Directors, and authorised for issue on 06/12/16 and signed on their behalf by:

  
 .....  
 Mrs V Dixon  
 Director

## Coast Academies

### Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £ 000	2015 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	690	622
Cash flows from investing activities	24	(120)	(296)
Cash flows from financing activities	23	<u>29</u>	<u>-</u>
Change in cash and cash equivalents in the year		599	326
Cash and cash equivalents at 1 September		<u>588</u>	<u>262</u>
Cash and cash equivalents at 31 August	25	<u><u>1,187</u></u>	<u><u>588</u></u>



## **Coast Academies**

### **Notes to the Financial Statements for the Year Ended 31 August 2016**

#### **1 Accounting policies**

##### **Statement of 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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Coast Academies meets the definition of a public benefit entity under FRS 102. These financial statements are the first financial statements of Coast Academies prepared in accordance with FRS 102. Refer to note 29 for more details on the first time adoption and explanation of transition to FRS 102.

##### **Going concern**

The Directors 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 Directors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Directors 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.

## **Coast Academies**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### ***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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### ***Sponsorship income***

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

##### ***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 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 goods, facilities and services***

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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 Trust's accounting policies.

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 1 Accounting policies (continued)

##### **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.

All resources expended are inclusive of irrecoverable VAT.

##### ***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.

##### **Tangible fixed 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, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

##### **Asset class**

Buildings

##### **Depreciation method and rate**

50 years

## **Coast Academies**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

Second Hand Motor Vehicles	2 years
Fixture & Fittings	3 - 4 years
Office Equipment	3 - 4 years
Computers	3 years

#### **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 recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased assets**

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

#### **Stock**

Unsold books and stationery stocks are valued at the lower of cost or net realisable value.

#### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **Coast Academies**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

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

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

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

##### **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 Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Education Funding Agency/Department for Education.*

##### **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.

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 1 Accounting policies (continued)

##### *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 27, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

#### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2016 £ 000	Total 2015 £ 000
<b>Other voluntary income</b>					
Capital grants	-	-	290	290	496
Other donations	16	-	-	16	3
Fair value of existing academy acquisitions	139	(198)	6,711	6,652	-
	<u>155</u>	<u>(198)</u>	<u>7,001</u>	<u>6,958</u>	<u>499</u>

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 3 Funding for Trust's educational operations

	Restricted funds £ 000	Total 2016 £ 000	Total 2015 £ 000
<b>DfE/EFA revenue grants</b>			
General Annual Grant	3,388	3,388	2,608
Start Up Grant	-	-	25
Pupil Premium	403	403	270
PE Grant	23	23	19
MAT Improvement Grant	-	-	45
MAT SCF	65	65	75
Universal Infant Free School Meals	97	97	-
	<u>3,976</u>	<u>3,976</u>	<u>3,042</u>
<b>Other government grants</b>			
LA - SEN Funding	71	71	67
LA - Nursery Funding	216	216	186
LA - Pre16 Enhanced Unit	31	31	-
LA - Planned Pupil Growth	36	36	-
	<u>354</u>	<u>354</u>	<u>253</u>
<b>Non-government grants and other income</b>			
Education trips and visits	45	45	24
<b>Total grants</b>	<u><u>4,375</u></u>	<u><u>4,375</u></u>	<u><u>3,319</u></u>

#### 4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2016 £ 000	Total 2015 £ 000
Hire of facilities	11	-	11	5
Nursery income	24	-	24	22
School shop sales	-	-	-	1
Recharges and reimbursements	4	15	19	28
Other income	49	1	50	30
	<u><u>88</u></u>	<u><u>16</u></u>	<u><u>104</u></u>	<u><u>86</u></u>

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 5 Investment income

	Unrestricted funds £ 000	Total 2016 £ 000
Short term deposits	<u>2</u>	<u>2</u>

#### 6 Resources expended

	Staff costs £ 000	Non Pay Expenditure Premises £ 000	Other costs £ 000	Total 2016 £ 000	Total 2015 £ 000
Expenditure on raising funds	38	9	33	80	73
<b>Academy's educational operations</b>					
Direct costs	3,065	245	301	3,611	2,498
Allocated support costs	<u>615</u>	<u>332</u>	<u>266</u>	<u>1,213</u>	<u>888</u>
	<u>3,718</u>	<u>586</u>	<u>600</u>	<u>4,904</u>	<u>3,459</u>

#### Net incoming/outgoing resources for the year include:

	2016 £ 000	2015 £ 000
Operating leases - other leases	13	12
Fees payable to auditor - audit	10	8
Fees payable to auditor - other audit services	<u>3</u>	<u>2</u>



# Coast Academies

## Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

### 7 Charitable activities

		<b>Total 2016 £ 000</b>	<b>Total 2015 £ 000</b>
<b>Direct costs - educational operations</b>		3,611	2,498
<b>Support costs - educational operations</b>		<u>1,213</u>	<u>888</u>
		<u><b>4,824</b></u>	<u><b>3,386</b></u>
	<b>Educational operations £ 000</b>	<b>Total 2016 £ 000</b>	<b>Total 2015 £ 000</b>
<b>Analysis of support costs</b>			
Support staff costs	615	615	367
Premises costs	332	332	351
Other support costs	235	235	130
Governance costs	<u>31</u>	<u>31</u>	<u>40</u>
<b>Total support costs</b>	<u><b>1,213</b></u>	<u><b>1,213</b></u>	<u><b>888</b></u>

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 8 Staff

##### Staff costs

	2016 £ 000	2015 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	2,920	2,054
Social security costs	202	120
Pension costs	555	347
	<u>3,677</u>	<u>2,521</u>
Supply teacher costs	52	29
Staff restructuring costs	4	45
	<u>3,733</u>	<u>2,595</u>
	<b>2016 £ 000</b>	<b>2015 £ 000</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	-	42
Severance payments	4	3
	<u>4</u>	<u>45</u>

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,600 (2015: £2,500). Individually, the payments were:

Non-contractual payments £3,600

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 8 Staff (continued)

##### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2016 No	2015 No
<b>Charitable Activities</b>		
Teachers	135	72
Administration and support	17	8
Management	6	1
	<u>158</u>	<u>81</u>

##### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as average headcount was as follows:

	2016 No	2015 No
<b>Charitable Activities</b>		
Teachers	207	139
Administration and support	21	17
Management	6	1
	<u>234</u>	<u>157</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No	2015 No
£60,001 - £70,000	1	-
£80,001 - £90,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £568,079 (2015: £382,983). Key management personnel has increased by 5 persons since 2014/15 due to the expansion of the trust.

## **Coast Academies**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **9 Central services**

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

#### **10 Related party transactions - Trustees' remuneration and expenses**

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

Mr K Kies (Head Teacher):

Remuneration: £100,000 - £105,000 (2015 - £100,000 - £105,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £10,000 - £15,000)

Mr C Morris (Teacher):

Remuneration: £Nil (2015 - £30,000 - £35,000)

Employer's pension contributions: £Nil (2015 - £0 - £5,000)

During the year ended 31 August 2016, no travel and subsistence expenses were reimbursed or paid directly to Directors (2015 - none).

Other related party transactions involving the Directors are set out in note 28.

#### **11 Trustees' and officers' insurance**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. For Cockington Primary School, the insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,084. The cost of this insurance is included in the total insurance cost.

For Preston Primary School and Eden Park, they have opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme. In the year ended 31 August 2015, the cover provided cover up to £2,000,000 and cost £1,023.

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 12 Connected charities

PTAs of Coast Academies are connected charities and they are related to the Academy Trust as follows: The PTAs are established for the general purpose of raising funds for Coast Academies.

- The aggregate amount of their assets is £21,000
- The aggregate amount of their liabilities is £Nil
- The aggregate amount of their funds is £21,000
- The total turnover is £25,000
- The total expenditure is £30,000
- Loss for the year is £5,000

#### 13 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>						
At 1 September 2015	5,979	61	3	107	220	6,370
Additions	263	29	-	17	88	397
Transfer	220	-	-	-	(220)	-
Transfer from previous academy	6,752	315	-	167	-	7,234
At 31 August 2016	13,214	405	3	291	88	14,001
<b>Depreciation</b>						
At 1 September 2015	245	45	3	87	-	380
Charge for the year	152	56	-	38	-	246
Transfer from previous academy	247	185	-	91	-	523
At 31 August 2016	644	286	3	216	-	1,149
<b>Net book value</b>						
At 31 August 2016	12,570	119	-	75	88	12,852
At 31 August 2015	5,734	16	-	20	220	5,990

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 14 Stock

	2016 £ 000	2015 £ 000
Books and stationery	<u>13</u>	<u>8</u>

#### 15 Debtors

	2016 £ 000	2015 £ 000
Trade debtors	2	-
Prepayments	51	28
Accrued grant and other income	97	275
VAT recoverable	<u>45</u>	<u>48</u>
	<u>195</u>	<u>351</u>

#### 16 Creditors: amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade creditors	63	62
Other taxation and social security	77	37
Pension scheme creditor	68	37
Accruals and deferred income	228	149
Deferred income	<u>88</u>	<u>97</u>
	<u>524</u>	<u>382</u>

#### Deferred income

	2016 £ 000
Deferred income at 1 September 2015	97
Resources deferred in the period	88
Amounts released from previous periods	<u>(97)</u>
Deferred income at 31 August 2016	<u>88</u>

At the balance sheet date the Academy Trust was holding grants received in advance for universal infant free school meals, after school club and funds for educational trips, received in advance for the 2016/2017 academic year.

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 17 Creditors: amounts falling due after one year

	2016 £ 000
CIF Loan	<u>29</u>

The CIF loan is repayable in equal instalments over three years from September 2017, a further instalment of £21,260 is due to be received in October 2016. The loan has a interest rate of 1.69%.

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 18 Funds

	Balance at 1 September 2015 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2016 £ 000
<b>Restricted general funds</b>					
General Annual Grant	265	3,609	(3,437)	(84)	353
SEN	-	71	(71)	-	-
Nursery fees	-	216	(216)	-	-
Pupil Premium	-	407	(405)	-	2
Restricted reimbursements fund	-	15	-	-	15
Two Year Old Development Funding	8	-	-	-	8
PE Grant	-	23	(21)	-	2
MAT Improvements Grant	3	-	-	-	3
MAT SCF	2	65	(58)	-	9
UIFSM	-	97	(97)	-	-
Educational Trips	-	45	(42)	-	3
Pre 16 Enhanced Unit	-	31	(31)	-	-
Planned Pupil Growth	-	36	(36)	-	-
Other restricted income	-	2	(1)	-	1
	<u>278</u>	<u>4,617</u>	<u>(4,415)</u>	<u>(84)</u>	<u>396</u>
<b>Restricted fixed asset funds</b>					
Other LA capital	5,610	3,949	(155)	-	9,404
Capital expenditure from GAG	88	151	(32)	84	291
DfE/EFA Capital Grants	494	311	(21)	-	784
Capital LA Nursery	10	-	-	-	10
Sport England	-	36	(5)	-	31
Assets donated by Torbay Council	-	2,432	(21)	-	2,411
Project Funds from Torbay Council	-	101	(11)	-	90
Donation from Acorns Nursery	-	21	-	-	21
	<u>6,202</u>	<u>7,001</u>	<u>(245)</u>	<u>84</u>	<u>13,042</u>
<b>Restricted pension funds</b>					
Defined benefit pension liability	<u>(888)</u>	<u>(424)</u>	<u>(180)</u>	<u>(1,225)</u>	<u>(2,717)</u>



## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 18 Funds (continued)

	Balance at 1 September 2015 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2016 £ 000
Total restricted funds	5,592	11,194	(4,840)	(1,225)	10,721
<b>Unrestricted funds</b>					
Unrestricted general funds	75	245	(64)	-	256
Total funds	5,667	11,439	(4,904)	(1,225)	10,977

#### Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total £ 000
Eden Park Primary School	185
Preston Primary School	103
Cockington Primary School	364
Total before fixed assets and pension reserve	652
Other LA capital	13,042
Defined benefit pension liability	(2,717)
Total	10,977

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2016 £ 000
Eden Park Primary School	1,349	254	69	311	1,983
Preston Primary School	1,026	159	52	305	1,542
Cockington Primary School	698	99	38	118	953
Academy Trust	3,073	512	159	734	4,478

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 19 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	12,852	12,852
Current assets	256	949	190	1,395
Current liabilities	-	(524)	-	(524)
Creditors over 1 year	-	(29)	-	(29)
Pension scheme liability	-	(2,717)	-	(2,717)
Total net assets	<u>256</u>	<u>(2,321)</u>	<u>13,042</u>	<u>10,977</u>

#### 20 Capital commitments

	2016 £ 000	2015 £ 000
Contracted for, but not provided in the financial statements	<u>-</u>	<u>263</u>

#### 21 Financial commitments

##### *Operating leases*

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £ 000	2015 £ 000
Amounts due within one year	19	12
Amounts due between one and five years	<u>34</u>	<u>19</u>
	<u>53</u>	<u>31</u>

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2016 £ 000	2015 £ 000
Net income	6,535	2,953
Depreciation	246	127
Capital grants from DfE and other capital income	(7,001)	(2,817)
Defined benefit pension scheme obligation transferred	424	329
Interest receivable	(2)	-
Defined benefit pension scheme cost less contributions payable	139	79
Defined benefit pension scheme expected return on scheme assets	-	(51)
Defined benefit pension scheme finance cost	41	64
Increase in stocks	(3)	(2)
Decrease/(increase) in debtors	271	(262)
Increase in creditors	40	202
Net cash provided by Operating Activities	<u>690</u>	<u>622</u>

#### 23 Cash flows from financing activities

	2016 £ 000
Cash inflows from new borrowing	<u>29</u>
Net cash provided by financing activities	<u>29</u>

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 24 Cash flows from investing activities

	2016 £ 000	2015 £ 000
Dividends, interest and rents from investments	2	-
Purchase of tangible fixed assets	(397)	(296)
Capital grants from DfE/EFA	290	-
Cash transferred on academy joining the academy trust	349	-
Funds transferred on academy joining the academy trust	(364)	-
Net cash used in investing activities	<u>(120)</u>	<u>(296)</u>

#### 25 Analysis of cash and cash equivalents

	At 31 August 2016 £ 000	At 31 August 2015 £ 000
Cash at bank and in hand	<u>1,187</u>	<u>588</u>
Total cash and cash equivalents	<u>1,187</u>	<u>588</u>

#### 26 Members' liability

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

#### 27 Pension and similar obligations

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 Devon County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £(68,000) (2015 - £(37,000)) were payable to the schemes at 31 August and are included within creditors.

## **Coast Academies**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **27 Pension and similar obligations (continued)**

##### **Teachers' Pension Scheme**

###### **Introduction**

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

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

###### **Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £300,335 (2015: £167,132).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a 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.

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 27 Pension and similar obligations (continued)

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £214,000 (2015 - £150,000), of which employer's contributions totalled £156,000 (2015 - £110,000) and employees' contributions totalled £58,000 (2015 - £40,000). The agreed contribution rates for future years are 14.7% per cent for employers and 5.5% -12.5% per cent for employees.

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

##### Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.40
Rate of increase for pensions in payment/inflation	2.30	2.60
Discount rate for scheme liabilities	<u>2.20</u>	<u>4.00</u>

##### Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
<b>Adjustment to discount rate</b>			
Present value of total obligation	4,533	4,641	4,751
Projected service cost	<u>586</u>	<u>600</u>	<u>614</u>
<b>Adjustment to pension increases and deferred revaluation</b>			
	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
Present value of total obligation	4,731	4,641	4,553
Projected service cost	<u>614</u>	<u>600</u>	<u>586</u>
<b>Adjustment to rate of salary growth</b>			
	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
Present value of total obligation	4,661	4,641	4,621
Projected service cost	<u>600</u>	<u>600</u>	<u>600</u>
<b>Adjustment to mortality age rating assumption</b>			
	+ 1 Year £ 000	None £ 000	- 1 Year £ 000
Present value of total obligation	4,761	4,641	4,524
Projected service cost	<u>615</u>	<u>600</u>	<u>585</u>

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 27 Pension and similar obligations (continued)

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

	At 31 August 2016	At 31 August 2015
<b>Retiring today</b>		
Males retiring today	22.90	22.80
Females retiring today	26.20	26.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.20	25.10
Females retiring in 20 years	<u>28.60</u>	<u>28.40</u>

The Academy Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2016 £ 000	At 31 August 2015 £ 000
Equities	1,128	551
Gilts	61	48
Alternative assets	110	18
Infrastructure	78	29
Other bonds	51	48
Property	190	103
Cash	33	22
Target return portfolio	<u>273</u>	<u>144</u>
Total market value of assets	1,924	963
Present value of scheme liabilities - funded	<u>(4,641)</u>	<u>(1,851)</u>
Deficit in the scheme	<u>(2,717)</u>	<u>(888)</u>

The actual return on scheme assets was £202,000 (2015 - £Nil).

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 27 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2016 £ 000	2015 £ 000
Current service cost	719	203
Total operating charge	<u>719</u>	<u>203</u>

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

	2016 £ 000	2015 £ 000
At 1 September	1,851	989
Upon conversion	-	636
Current service cost	295	203
Interest cost	91	64
Employee contributions	58	40
Actuarial losses/(gains)	1,376	(42)
Benefits paid	33	(1)
Plan introductions, benefit changes, curtailments and settlements	<u>937</u>	<u>(38)</u>
At 31 August	<u>4,641</u>	<u>1,851</u>

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

	2016 £ 000	2015 £ 000
At 1 September	963	531
Upon conversion	-	307
Interest income	50	51
Return on plan assets (excluding net interest on the net defined pension liability)	151	-
Actuarial losses	-	(51)
Employer contributions	156	110
Employee contributions	58	40
Benefits paid	33	(1)
Plan introductions, benefit changes, curtailments and settlements	<u>513</u>	<u>(24)</u>
At 31 August	<u>1,924</u>	<u>963</u>

#### 28 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.



## **Coast Academies**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **28 Related party transactions (continued)**

During the year the Academy Trust made the following related party transactions:

##### **Kenneth & Edwards**

(Patrick O'Connor is a director and 50% shareholder of Kenneth & Edwards.)

Patrick O'Connor was appointed as a Director at Coast Academies on 23 June 2015. Prior to this date contracts were entered into by Kenneth and Edwards with Coast Academies resulting in invoices being processed in this financial year totalling £24,080. Cockington Primary School also entered contracts with Kenneth and Edwards before joining the MAT and invoices totalling £9,490 were processed in the year. Since he became a Director Kenneth & Edwards have been contracted to complete works with a total value of £10,814. At the balance sheet date the amount due to Kenneth & Edwards was £6,864 (2015 - £4,764).

Included within incoming resources this year is £20,580 in respect of restricted fixed asset funds brought in from Cockington Primary School following the acquisition.

##### **Acorns Pre School**

(D Stephens, wife of T Stephens, is the sole owner.)

During the year the academy received £6,000 for five months from Acorns Pre School in relation to rental income. At the balance sheet date the amount due to Acorns Pre School was £Nil (2015 - £Nil).

Included within incoming resources this year is £20,580 in respect of restricted fixed asset funds brought in from Cockington Primary School following the acquisition.

#### **29 Transition to FRS 102**

##### *First time adoption of FRS 102*

These financial statements are the first financial statements of Coast Academies prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Coast Academies for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

The Academy Trust transitioned to FRS102 and SORP 2015 from previously extant UK GAAP and SORP 2005 as at 1 September 2014. There were no changes to the previously stated funds as at 1 September 2014 and 1 September 2015 or in the net income/(expenditure) for the year ended 31 August 2015 as a result of the transition to FRS102 and SORP 2015.

## Coast Academies

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 30 Acquisition of an existing academy

On 1 April 2016 Cockington Primary School was acquired by Coast Academies.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Fair Value of existing academy acquisitions.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Total £ 000
Tangible fixed assets				
Leasehold land and buildings	-	-	6,505	6,505
Other tangible fixed assets	-	-	206	206
Assets	139	327	-	466
Liabilities	-	(101)	-	(101)
LGPS pension deficit	-	(424)	-	(424)
Net assets/(liabilities)	<u>139</u>	<u>(198)</u>	<u>6,711</u>	<u>6,652</u>

The above net assets include £349,000 that were transferred as cash.