

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Annual Report and Financial Statements**

**For the year ended 31 August 2015**

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Contents**

---

	Page
<b>Reference and administrative details of the academy, its directors and advisers</b>	1
<b>Directors' report</b>	2 - 6
<b>Governance statement</b>	7 - 9
<b>Statement on regularity, propriety and compliance</b>	10
<b>Directors' responsibilities statement</b>	11
<b>Independent auditors' report</b>	12 - 13
<b>Independent reporting accountant's assurance report on regularity</b>	14 - 15
<b>Statement of financial activities</b>	16
<b>Balance sheet</b>	17
<b>Cash flow statement</b>	18
<b>Notes to the financial statements</b>	19 - 37

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Reference and Administrative Details of the Company, its Members/ Trustees and Advisers**  
**For the year ended 31 August 2015**

---

<b>Members</b>	Dr. V. Austin Mr. R.M. Copper Mr. N. Hudson Mr. P. Rodd
<b>Trustees</b>	Dr. V. Austin, Chair of Directors <sup>1</sup> Mr. N. Hudson, Vice Chair of Directors <sup>1</sup> Mr. P.J. Luxmoore, Executive Headteacher <sup>1</sup> Mrs. D. Collins (appointed 9 January 2015, resigned 24 July 2015) Mr. R. Curtis, Chair of Audit Committee <sup>2</sup> Mr. R.H. Copper Mrs. C. Murray Mr. P. Rodd Dr. P. Troke (appointed 24 July 2015)
	1 Member of the Finance Committee 2 Member of the Audit Committee
<b>Company registered number</b>	07552665
<b>Principal and registered office</b>	King Ethelbert School Canterbury Road Birchington Kent CT7 9BL
<b>Company secretary</b>	Mr. R. Saffery
<b>Senior management team</b>	Mr. P.J. Luxmoore, Executive Headteacher - Dane Court Grammar School and King Ethelbert School Mr. A. Fowler, Head of School - Dane Court Grammar School Ms. K. Greig, Headteacher - King Ethelbert School Mrs. J. Troth, Headteacher - Cliftonville Primary School Mr A. Somers, Headteacher - Hartsdown Technology College
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Registered Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Directors' Report**  
**For the year ended 31 August 2015**

---

The Directors present their annual report, together with the audited financial statements of Coastal Academies Trust (the Company) for the year ended 31 August 2015

The Directors confirm that the annual report and financial statements of the Company comply with the current statutory requirements.

**Structure, governance and management**

Coastal Academies Trust (CAT) is a company limited by guarantee and is an exempt charity. The Company's articles of association are the primary governing document. Funding for educational activities is governed by a master funding agreement between the Company and the Secretary of State for Education.

**Principal activities**

The principal objective of the Company is the advancement of education for the public benefit through the operation of a group of academies.

The Company's accounts for 2014/15 include the operation of 4 academies, Cliftonville Primary School, Dane Court Grammar School, Hartsdown Academy and King Ethelbert School.

**Members**

The initial Members of the Company were the signatories to the Memorandum of Association. Membership terminates automatically pursuant to Article 15d when any Member, also being a Director, ceases to be a Director.

**Members' liability**

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

**Directors**

All Members of the Company are also Directors. Other Directors hold their office as the Chairman of the Governing Body of Cliftonville Primary School (Claudine Murray), Dr Peter Troke (Hartsdown Academy) and elected as Directors by existing Members and Directors (Robin Curtis, former Headteacher of Dane Court Grammar School and Paul Luxmoore, Executive Headteacher of Coastal Academies Trust).

**Directors' indemnities**

Coastal Academies Trust maintains liability insurance for Directors which gives appropriate cover for any legal action brought against them. The Company has also granted indemnities to each of its Directors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year and remain in force, in relation to certain losses and liabilities which the Members, Directors and other officers may incur to third parties in the course of acting on the Company's behalf.

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

The Articles of Association require the appointment of at least three Directors to the Company. Members may appoint up to eight Directors (Article 46a). The Chairman of each Local Governing Body is automatically registered as a Director (Article 46d). The Directors may also appoint up to three Co-opted Directors (Article 58).

**Procedures adopted for the induction and training of Directors and Trustees**

Training and induction is tailored to new Directors as appropriate to their requirements and previous experience. The Company Directors have access to policies, procedures, minutes, budgets, accounts and other relevant plans and documents that they need to fulfil their role.

**Directors' term of office**

The term of office for any Director shall be four years save that:

- a) the term of office may be shorter than four years for any Director appointed by Members under Article 46(a) if the Members determine this at the time of appointment of such a Director; or
- b) in the case of a Director appointed ex officio as a Chair of Governors, his or her term of office should be for as long as they are a Chair of Governors.

Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

All Directors are also trustees of the charity.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Directors' Report (continued)**  
**For the year ended 31 August 2015**

---

**Organisational Structure**

The Directors have delegated the day to day governance of each academy to a Local Governing Body, established as a sub-committee of the Company Board. In the case of Dane Court Grammar School and King Ethelbert School, this has been a single group since the two schools federated in 2009. The Headteacher / Principal or Head of School from each academy attends Board meetings, but does not vote.

Currently, Royal Harbour Academy (formerly The Ellington and Hereson School and The Marlowe Academy) is a guest member of CAT and its Chairman of Governors and Headteacher attend meetings. CAT has already been granted permission to sponsor Royal Harbour Academy and the conversion process has begun.

**Connected organisations, including related parties**

The Dane Court voluntary fund and the Cliftonville voluntary fund, in existence to benefit the schools and its' students, are under the control of the Company and so have been included within these financial statements.

There is also a Dane Court Grammar School Parents Association (charity number 1023394) and a Cliftonville Primary School Parent Teacher Association (charity number 1036939).

**Objectives and activities**

The principle objective of CAT is to provide an outstanding education for students between the ages of 3 and 19. A more detailed summary is provided in each school prospectus or on each school's website.

In accordance with the articles of association the academy trust has adopted a "Scheme of Government" (Master Funding Agreement) approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the schools and that the curriculum should comply with the substance of the national curriculum.

The major outcomes for the year included raising the achievement of all students, improving the quality of teaching and maintaining a positive ethos.

**Public benefit**

The Company is state funded and strives to promote and support the advancement of education within Thanet. Each school has its' own admissions criteria as set out in the Master Funding Agreement; Dane Court Grammar School selects students aged 11 to 19 who have passed the Kent Test; Hartsdown Academy is a non selective 11 - 18 school, King Ethelbert School is a non-selective 11 to 16 school and Cliftonville Primary School admits children aged 3 to 11. For all the schools the catchment area can vary but is determined by each school's admission criteria. The Company plays an active role in the local community including sporting activities, fund raising for charities and much more. The trust buildings and land are often available for community use outside of school hours.

The Directors acknowledge the duty in Section 4 of the Charities Act 2011 to have regard to the general and specific guidance on public benefit issued by the Charities Commission. We have referred to this guidance when reviewing our aims, strategy and plans for the future. All activities undertaken by the Company are for the public benefit.

**Coastal Academies Trust**  
(A company limited by guarantee)

**Directors' Report (continued)**  
**For the year ended 31 August 2015**

**Achievements and performance**

KS4 RESULTS				
School	5x*-c inc E+M Best entry	5x*-c inc E+M First entry	%*-c English (first)	%*-c Maths (first)
Dane Court	93	93	94	99
Hartdown	41	37	68 (64)	55 (50)
King Ethelbert	53	45	73 (72)	60 (52)

KS4 RESULTS best results				
School	EP Maths	EP English	GP Maths	GP English
Dane Court	90	77	59	43
Hartdown	58	77	16	47
King Ethelbert	66	76	21	31

IBDP Results		
School	% students with 24+ points (pass)	Average grade
Dane Court	98.8	5.6

IBCP Results			
School	% certificate awarded	% Pass rate of voc	Average IB grade
Dane Court	97	97	4.6
King Ethelbert	100	96	4.4

KS2 Results % level 4 +					
School	Combined R/W/M	Reading	Writing	Maths	Spelling, Punc, Gram
Cliftonville Primary School	76	84	88	85	74

**Key performance indicators**

The Company closely monitors the exam results at Key Stage 4, Key Stage 5 and assessed performance at Key Stage 2. Actual performance by academy is documented on each academy's website.

Each school aims to continue to recruit and retain students at their full published admission numbers. Dane Court Grammar School, King Ethelbert School and Cliftonville Primary School were all oversubscribed in 2014/15. There is a planned expansion of Cliftonville Primary School from 3 to 4 forms of entry. Building work has been completed (Oct 2015) to facilitate this.

Staffing costs should be restricted to less than 85% of the General Annual Grant income in any one year unless there are mitigating and reasonable circumstances for exceeding this limit. Examples of such circumstances could be an increasing roll where the funding for such students may be lagged or undertaking services in-house because of greater efficiency. The Company's staffing costs have been kept within this restriction.

**Going concern**

After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason it has adopted the going concern basis to prepare these accounts.

**Financial review**

The Company's principle income comes from the Education Funding Agency in the form of recurring grants for particular purposes. These grants and the related expenditure are shown under restricted funds in the Statement of Financial Activities.

Hartdown Academy joined the Company during the year and its land and buildings were valued at £12 million. New assets brought into use in the Company for the first time, and identifiable improvements to existing assets, are capitalised at fair value or cost with an equivalent sum transferred to the restricted fixed asset fund. Fixed assets, other than freehold and leasehold land, are depreciated over their expected useful lives and this charge is applied against the restricted fixed asset fund.

During the year to 31 August 2015 the Company received £30 million in restricted funds comprising £19.1 million of recurring grants for its charitable activities, £10.2 million of assets and liabilities inherited from Hartdown Academy at the point of conversion to the trust and £672,000 of other restricted income.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Directors' Report (continued)**  
**For the year ended 31 August 2015**

---

**Financial review - continued**

In addition some £579,000 unrestricted income was received including voluntary income retained in Hartsdown Academy at the point of transfer to the trust plus income from hire of facilities and lettings and catering activities.

Expenditure amounted to £21.7 million in total. Of this some £21 million was attributable to the Company's charitable activities in undertaking educational operations together with governance costs. The balance of the expenditure was through the unrestricted funds. This resulted in net incoming resources of £8.6 million before actuarial movements on defined benefit schemes. The actuarial loss on the Local Government Pension Scheme (LGPS) of £10,000, part of a total increase in the pension liability of £2.3 million, resulted in an overall net increase in funds of £8.9 million.

It should be noted that this surplus arises after depreciation of £1,107,000, a non-cash movement on the fixed asset fund to write down capital items, most of which comprises the depreciation on the schools buildings inherited on conversion. A net surplus of £9.96 million had been achieved before depreciation and pension liability movement.

At the end of August 2015 the net book value of fixed assets amounted to £52.4 million (2014: £41.2 million). These assets, which predominantly comprise land and buildings, are used exclusively for educational operations and the associated support services to students in the academies.

The total funds of the Company at the end of August 2015 amounted to £48.9 million. After removing the fixed assets – which are predominantly non-realizable assets – and the LGPS deficit – which does not give rise to an immediate liability – the total Company funds at this date were £1.7 million.

The Company makes contributions to the teachers' pension scheme (TPS) on behalf of teaching staff in the academies. The TPS is contributory scheme to which teachers are automatically enrolled but it is not compulsory. It is a national scheme managed by the Department for Education. Assets and liabilities are not assigned to individual employers. For staff members other than teachers the Company makes contributions to the LGPS. In the LGPS the assets and liabilities held within the scheme are subject to an actuarial valuation on a triennial basis and are attributable to individual employers. The Company balance sheet contains the net pension scheme deficit in respect of current employees. The existence of a deficit does not mean an immediate liability will become payable. The purpose of the actuarial valuation is to determine the contribution rate for the employer that over the long term will match liabilities and assets. The LGPS has been the subject of amendments in recent years and from April 2014 the scheme bases pension entitlement upon career average earnings and provides for revised employee and employer contributions.

**Reserves policy**

The Directors review the reserve levels of the Company 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 have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

**Financial and risk management objectives and policies**

The Company uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to maintain finance for the Company's operations.

The existence of these financial instruments exposes the Company to liquidity risk and cash flow interest risk.

*Liquidity risk* – the Company manages its' cash resources, including sufficient working capital, so that it's bank ledger balance is available to the finance team for monitoring at all times and is always taken into account when making payments.

*Interest rate risk* – the Company has used risk free managed investments to maximise interest on income wherever possible and shall continue to do so.

The Company has recently established an Audit Committee to which the management of financial and operational risk is delegated.

**Principal risks and uncertainties**

The Company monitors the principle risks and has drawn up risk registers which are regularly reviewed. In particular the principal financial risk is that future public funding will not rise in line with the cost base giving rise to potential unsustainable deficits within the Company. This risk is mitigated by careful budget planning and where possible securing additional resources to supplement government funding. The principal operational risk to the Company is that academic performance and attainment does not meet expectations of the regulator over time. This risk is mitigated by active results and data monitoring.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Directors' Report (continued)**  
**For the year ended 31 August 2015**

---

**Investment policy**

All schools in the Company only invest money in accounts to which no risk of loss is attached. Speculative investments are not made.

**Equal opportunities**

It is the Company's policy to recognise that equal opportunities should be an integral part of good practice within the workplace. The Company aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Disabled persons**

The policy of the Company is to support recruitment and retention of students and employees with disabilities. The academy trust does this by making reasonable adjustment to the physical environment where possible, by making support services available and through training and career development.

**Plans for future periods**

Key priorities for 2015 – 2016:

1. Reduce spending in year at Hartsdown Academy by re-structuring staffing and other expenditure.
2. Re-structure the delivery of the curriculum at Dane Court Grammar School in order to reduce expenditure by approximately £700k by September 2016.
3. Oversee the conversion of Royal Harbour Academy to an academy sponsored by Coastal Academies Trust.
4. Complete the building work at Cliftonville and successfully transition to a 4 form entry school.
5. Improve academic results in all trust schools, with a particular emphasis on Royal Harbour Academy.
6. Develop a method of sharing best practice between trust schools in order to improve effectiveness and value for money.
7. Investigate and decide the best means to expand nursery provision at Cliftonville Primary School.
8. Negotiate with KCC the means to expand Hartsdown Academy by one form of entry.
9. Ensure that all trust schools are financially viable and can cope with national reductions in funding for education.

**Auditors**

In so far as the Directors are aware:

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

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and a resolution to appoint them will be proposed at the annual general meeting.

This report, incorporating the Strategic report, was approved by order of the Board of Directors, as the company directors, on 30 November 2015 and signed on the board's behalf by:



Dr. V. Austin  
Chair of Trustees



Mr. P.J. Luxmoore  
Accounting Officer

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Governance Statement**

**Scope of Responsibility**

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

The Board of Directors has delegated the day-to-day responsibility to the Executive 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 Coastal Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors 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 Directors' responsibilities statement. The Board of Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Trustee	Meetings attended	Out of a possible
Dr. V. Austin, Chair of Directors	5	5
Mr. N. Hudson, Vice Chair of Directors	5	5
Mr. P.J. Luxmoore	5	5
Mrs. D. Collins	2	2
Mr. R. Curtis, Chair of Audit Committee	4	5
Mr. R.H. Copper	4	5
Mrs. C. Murray	4	5
Mr. P. Rodd	4	5
Dr. P. Troke	0	0

The Finance Committee of Dane Court Grammar School and King Ethelbert School, the Resources Committee of Cliftonville Primary School and the Resources Committee of Hartsdown Academy are sub-committees of the main Board of Directors. Their purpose is to assist the decision making of the Directors by enabling more detailed consideration to be given to the best means of fulfilling the Directors' responsibility to ensure sound financial management.

Attendance at meetings in the year was as follows:

Trustee/Local Governor	Meetings attended	Out of a possible
Dr. V. Austin *	3	4
Mr. N. Hudson, Committee Chair *	4	4
Mr. P.J. Luxmoore *	4	4
Mrs. K. Brinkman *	3	4
Mr. D.J. Ellis *	4	4
Mr. J.M. Lycett *	4	4
Mrs. S.E. Wright *	3	4
Mr. S. Clements **	1	1
Mrs. A. Crittenden **	3	3
Mrs. A. Jewell **	0	0
Rev. J. Richardson, Committee Chair **	2	3
Mr. H. Scobie **	2	3
Mr. C. Stallwood **	1	1
Mrs. P. Standen **	2	3
Mr. A. Somers, Principal ***	2	2
Mrs. D. Collins ***	2	2
Mr. R. Boyd ***	2	2
Mr. A. Burgess ***	2	2
Mrs. S. Gray ***	0	1
Mr. A. Herron ***	0	1
Dr. P. Troke, Chair of Governors ***	1	1

\* Finance Committee of Dane Court Grammar School and King Ethelbert School

\*\* Resources Committee of Cliftonville Primary School

\*\*\* Resources Committee of Hartsdown Academy

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Governance Statement (continued)**

---

**Review of Value for Money**

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

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

- Targeted intervention by utilising Pupil Premium funding to close the gap between such students and the rest of the cohort.
- Collaborative working across the trust to improve educational outcomes for all students.
- Improved purchasing decisions with CAT-wide contracts to improve value for money. A prime example of this is the insurance policy now covering three of the CAT schools which has delivered significant savings. The intention is to increase the number of CAT-wide non-staff contracts where practicable to further deliver economies of scale.

**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 Company 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 Coastal Academies Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

An Audit Committee has been established as a sub-committee of the main Board of Directors. Its purpose is to supervise and review the management of risk. The Audit Committee comprises the following members:

Robin Curtis (Director, Chairman)  
Sandra Wood (LGB Governor)  
Paul Manning (LGB Governor)

**Capacity to Handle Risk**

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

**The Risk and Control Framework**

The Company'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 Directors;
- regular reviews by the Finance/Resources Committee of each school of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed UHY Hacker Young, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Company's financial systems.

On a quarterly basis, the auditors report to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Governance Statement (continued)**

---

During the year ended 31 August 2015 the risks to internal control have been fully delivered in line with the requirements of the Education Funding Agency.

**Review of Effectiveness**

As accounting officer, the Executive 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Company 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/Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 30 November 2015 and signed on its behalf, by:



Dr. V. Austin  
Chairman of the Board



Mr. P.J. Luxmoore  
Accounting Officer

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Statement on Regularity, Propriety and Compliance**

---

As accounting officer of Coastal Academies Trust I have considered my responsibility to notify the Company Board of Directors 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 Company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Company Board of Directors are able to identify any material, irregular or improper use of funds by the Company, or material non-compliance with the terms and conditions of funding under the Company's funding agreement and the Academies Financial Handbook (2014).

Whilst significant concerns have been raised about financial management within Hartsdown Academy, 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 Directors and EFA.



Mr. P.J. Luxmoore  
Accounting Officer

Date: 30 November 2015

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Directors' Responsibilities Statement**  
**For the year ended 31 August 2015**

---

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

Company law requires the 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:

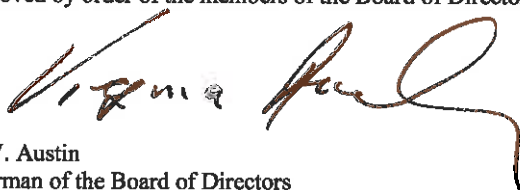
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The 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 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 Board of Directors on 30 November 2015 and signed on its behalf by:



Dr. V. Austin  
Chairman of the Board of Directors

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Independent Auditors' Report to the Members of Coastal Academies Trust**

---

We have audited the financial statements of Coastal Academies Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' responsibilities statement, 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 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 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 Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

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

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Independent Auditors' Report to the Members of Coastal Academies Trust**

---

**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.

*UHY Kent LLP*

Allan Hickie BSc FCA (Senior statutory auditor)  
for and on behalf of

**UHY Kent LLP**

Chartered Accountants

Registered Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: *15 December 2015*

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Independent Reporting Accountants' Assurance Report on Regularity to Coastal Academies Trust and the Education Funding Agency**

---

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Coastal Academies Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Coastal Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Coastal Academies Trust's funding agreement with the Secretary of State for Education dated 23 March 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales.

In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of the Coastal Academies Trust for the year ended 31 August 2015 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Independent Reporting Accountants' Assurance Report on Regularity to Coastal Academies Trust 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 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*UHY Kent LLP*

**UHY Kent LLP**

Chartered Accountants  
Registered Auditors

Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: *15 December 2015*

**Coastal Academies Trust**  
(A company limited by guarantee)

**Statement of Financial Activities**  
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Transfer on conversion	2	-	-	-	-	4,948,637
Transfers on existing academies moving into the trust	2	82,702	(1,917,539)	12,113,866	10,279,029	-
Voluntary income	2	46,236	32,433	-	78,669	46,371
Activities for generating funds	3	435,124	449,732	-	884,856	569,487
Investment income	4	14,944	-	-	14,944	23,989
Incoming resources from charitable activities	5	-	18,988,281	114,874	19,103,155	12,702,457
Other incoming resources	6	-	189,636	-	189,636	-
<b>Total incoming resources</b>		<b>579,006</b>	<b>17,742,543</b>	<b>12,228,740</b>	<b>30,550,289</b>	<b>18,290,941</b>
<b>Resources expended</b>						
Costs of activities for generating funds	7	243,790	408,696	-	652,486	534,310
Charitable activities	9	187,632	18,870,408	1,106,963	20,165,003	13,446,044
Governance costs	10	859	571,556	-	572,415	294,739
Other resources expended		-	308,445	-	308,445	-
<b>Total resources expended</b>	8	<b>432,281</b>	<b>20,159,105</b>	<b>1,106,963</b>	<b>21,698,349</b>	<b>14,275,093</b>
<b>Net incoming / (outgoing) resources before transfers</b>						
		146,725	(2,416,562)	11,121,777	8,851,940	4,015,848
Transfers between Funds	21	(104,918)	15,586	89,332	-	-
<b>Net income for the year</b>		<b>41,807</b>	<b>(2,400,976)</b>	<b>11,211,109</b>	<b>8,851,940</b>	<b>4,015,848</b>
Actuarial gains and losses on defined benefit pension schemes	29	-	(10,000)	-	(10,000)	94,000
<b>Net movement in funds for the year</b>		<b>41,807</b>	<b>(2,410,976)</b>	<b>11,211,109</b>	<b>8,841,940</b>	<b>4,109,848</b>
<b>Total funds at 1 September 2014</b>	21	<b>1,071,740</b>	<b>(2,245,463)</b>	<b>41,245,181</b>	<b>40,071,458</b>	<b>35,961,610</b>
<b>Total funds at 31 August 2015</b>		<b>1,113,547</b>	<b>(4,656,439)</b>	<b>52,456,290</b>	<b>48,913,398</b>	<b>40,071,458</b>

The academy trust's activities derive from a combination of continuing operations and acquisitions in the current year and further details are provided in note 23.

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

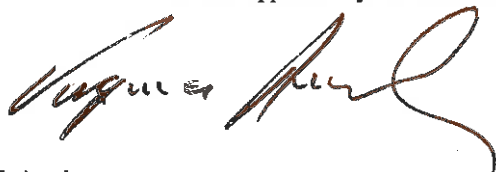
The notes on pages 19 to 37 form part of these financial statements.

**Coastal Academies Trust**  
**(A company limited by guarantee)**  
Registered number: 07552665

**Balance Sheet**  
**As at 31 August 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	16		52,447,758		41,245,181
<b>Current assets</b>					
Stocks	17	16,835		13,310	
Debtors	18	578,266		374,760	
Cash at bank and in hand		2,398,947		2,184,632	
			<u>2,994,048</u>	<u>2,572,702</u>	
<b>Creditors: amounts falling due within one year</b>	19	<b>(1,273,408)</b>		<b>(766,025)</b>	
<b>Net current assets</b>			<u>1,720,640</u>		<u>1,806,677</u>
<b>Total assets less current liabilities</b>			<u>54,168,398</u>		<u>43,051,858</u>
<b>Creditors: amounts falling due after more than one year</b>	20				<b>(15,400)</b>
<b>Net assets excluding pension scheme liability</b>			<u>54,168,398</u>		<u>43,036,458</u>
Pension scheme liabilities	29		(5,255,000)		(2,965,000)
<b>Net assets including pension scheme liability</b>			<u>48,913,398</u>		<u>40,071,458</u>
<b>Funds of the academy</b>					
Restricted funds :					
Restricted funds	21	598,561		719,537	
Restricted fixed asset funds	21	52,456,290		41,245,181	
Restricted funds excluding pension liability		<u>53,054,851</u>		<u>41,964,718</u>	
Pension reserve		(5,255,000)		(2,965,000)	
Total restricted funds			<u>47,799,851</u>		<u>38,999,718</u>
Unrestricted funds	21		<u>1,113,547</u>		<u>1,071,740</u>
<b>Total funds</b>			<u>48,913,398</u>		<u>40,071,458</u>

The financial statements were approved by the Directors, and authorised for issue, on 30 November 2015 and are signed on their behalf, by:



Dr. V. Austin  
Chair of Trustees

The notes on pages 19 to 37 form part of these financial statements.

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Cash Flow Statement**  
**For the year ended 31 August 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	250,303	(96,485)
Returns on investments and servicing of finance	24	14,944	23,989
Capital expenditure and financial investment	24	(80,801)	(74,114)
Cash transferred on new academy joining trust (2014: conversion to an academy trust)	23&26	23,384	133,172
<b>Increase/(Decrease) in cash in the year</b>		<u>207,830</u>	<u>(13,438)</u>

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the year ended 31 August 2015**

		2015 £	2014 £
Increase/(Decrease) in cash in the year		<u>207,830</u>	<u>(13,438)</u>
<b>Movement in net funds in the year</b>	25	207,830	(13,438)
Net funds at 1 September 2014		<u>2,184,632</u>	<u>2,198,070</u>
<b>Net funds at 31 August 2015</b>		<u>2,392,462</u>	<u>2,184,632</u>

The notes on pages 19 to 37 form part of these financial statements.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

---

**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the Company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 Resources expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Company's educational operations.

Governance costs include the costs attributable to the Company's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

---

**1. Accounting Policies (continued)**

**1.5 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.

**1.6 Tangible fixed assets and depreciation**

Individual assets costing more than £2,000 and bulk purchases costing more than £5,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Company's depreciation policy.

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.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold or long leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	2% straight line
Motor vehicles	-	20% reducing balance
Fixtures, fittings and equipment	-	25%
Computer equipment and software	-	33.33%

**1.7 Operating leases**

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

**1.8 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 Taxation**

The Company 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 Company 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.

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**1. Accounting Policies (continued)**

**1.10 Pensions**

Retirement benefits to employees of the Company 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 Company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**2. Voluntary income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Transfer on conversion	-	-	-	4,948,637
Transfers on existing academies moving into the trust	82,702	10,196,327	10,279,029	-
	<u>82,702</u>	<u>10,196,327</u>	<u>10,279,029</u>	<u>4,948,637</u>
Other donations	46,236	32,433	78,669	46,371
	<u>128,938</u>	<u>10,228,760</u>	<u>10,357,698</u>	<u>4,995,008</u>

**Coastal Academies Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**3. Activities for generating funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Income from facilities and services	15,569	-	15,569	8,597
School trips income	-	333,615	333,615	313,336
School uniform sales	31,953	-	31,953	33,841
Catering income	169,586	-	169,586	138,124
Other income	218,016	107,774	325,790	75,589
Voluntary fund	-	8,343	8,343	-
	<u>435,124</u>	<u>449,732</u>	<u>884,856</u>	<u>569,487</u>

**4. Investment income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	14,944	-	14,944	23,989

**5. Funding for Academy's educational operations**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	16,486,854	16,486,854	11,674,744
Other DfE/EFA grants	-	1,423,494	1,423,494	685,924
	<u>-</u>	<u>17,910,348</u>	<u>17,910,348</u>	<u>12,360,668</u>
<b>Other government grants</b>				
Local authority grants	-	1,077,933	1,077,933	265,490
Sport England	-	30,000	30,000	-
	<u>-</u>	<u>1,107,933</u>	<u>1,107,933</u>	<u>265,490</u>
<b>DfE/EFA capital grants</b>				
Devolved Formula Capital	-	84,874	84,874	76,299
	<u>-</u>	<u>84,874</u>	<u>84,874</u>	<u>76,299</u>
	<u>-</u>	<u>19,103,155</u>	<u>19,103,155</u>	<u>12,702,457</u>

**Coastal Academies Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**6. Other incoming resources**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Thanet Skills Studio	-	189,636	189,636	-

**7. Costs of activities for generating funds**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
School trips	8,595	323,342	331,937	330,656
Catering	24,565	50,197	74,762	90,950
Voluntary fund	-	35,157	35,157	-
Allocated wages and salaries	201,461	-	201,461	106,256
Allocated occupancy costs	9,169	-	9,169	6,448
	<u>243,790</u>	<u>408,696</u>	<u>652,486</u>	<u>534,310</u>

**8. Resources expended**

	<b>Staff costs 2015 £</b>	<b>Non Pay Expenditure Premises 2015 £</b>		<b>Other costs 2015 £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Costs of activities for generating funds	201,461	9,169	441,856		652,486	534,310
<b>Academy's educational operations:</b>						
Direct costs	12,530,992	858,693	1,848,489		15,238,174	10,786,752
Allocated support costs	2,577,134	1,257,527	1,092,168		4,926,829	2,659,292
	<u>15,108,126</u>	<u>2,116,220</u>	<u>2,940,657</u>		<u>20,165,003</u>	<u>13,446,044</u>
<b>Governance</b>	93,768	45,844	432,803		572,415	294,739
<b>Other resources expended - Thanet Skills Studio</b>	226,751	20,892	60,802		308,445	-
	<u>15,630,106</u>	<u>2,192,125</u>	<u>3,876,118</u>		<u>21,698,349</u>	<u>14,275,093</u>

**Coastal Academies Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2015

**9. Charitable activities**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
<b>Direct costs - educational operations</b>		
Wages and salaries	10,424,233	7,423,959
National insurance	762,913	531,607
Pension cost	1,343,846	958,435
Depreciation	1,051,615	917,039
Books, apparatus and stationery	578,878	443,737
Examination fees	309,712	201,115
Staff development	105,414	113,920
Educational consultancy	661,563	196,940
	<u>15,238,174</u>	<u>10,786,752</u>
<b>Support costs - educational operations</b>		
Wages and salaries	1,734,203	685,932
National insurance	188,098	136,508
Pension cost	654,833	254,262
Depreciation	55,348	48,265
Maintenance of premises and equipment	329,866	187,470
Cleaning	236,890	130,513
Rent and rates	200,639	126,542
Heat and light	314,737	197,118
Insurance	119,673	63,836
Security	10,528	10,196
Transport	29,564	28,566
Catering	206,708	65,887
Uniforms	8,452	15,100
Technology costs including managed IT services	320,557	142,649
Bank interest and charges	6,852	3,992
Other support costs	376,283	476,938
Recruitment and support	115,744	74,903
Travel and subsistence	17,854	10,615
	<u>4,926,829</u>	<u>2,659,292</u>
	<u>20,165,003</u>	<u>13,446,044</u>

**10. Governance costs**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Auditors' remuneration	-	16,950	16,950	12,770
Auditors' non audit costs	-	12,941	12,941	8,750
Charges for other bought in professional services	859	402,053	402,912	180,043
Allocated occupancy costs	-	45,844	45,844	32,238
Allocated clerical staff costs	-	93,768	93,768	60,938
	<u>859</u>	<u>571,556</u>	<u>572,415</u>	<u>294,739</u>

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**11. Net incoming / (outgoing) resources**

This is stated after charging:

	<b>2015</b>	<b>2014</b>
	£	£
Depreciation of tangible fixed assets:		
- owned by the academy trust	1,106,964	965,305
Auditors' remuneration	16,950	12,770
Auditors' remuneration - non-audit	12,941	8,750
Operating lease rentals:		
- plant and machinery	161,306	48,260
	<u>161,306</u>	<u>48,260</u>

**12. Staff**

**a. Staff costs**

Staff costs were as follows:

	<b>2015</b>	<b>2014</b>
	£	£
Wages and salaries	12,275,556	8,078,217
Social security costs	952,434	669,713
Pension costs	2,007,445	1,222,294
	<u>15,235,435</u>	<u>9,970,224</u>
Supply teacher costs	253,985	143,573
Staff restructuring costs	140,686	44,100
	<u>15,630,106</u>	<u>10,157,897</u>

**b. Staff severance payments**

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £8,000.

**c. Staff numbers**

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

	<b>2015</b>	<b>2014</b>
	No.	No.
Teachers	229	145
Administration and support	178	88
Management	20	13
	<u>427</u>	<u>246</u>

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

---

**12. Staff (continued)**

**d. Higher paid staff**

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

	<b>2015</b>	<i>2014</i>
	<b>No.</b>	<i>No.</i>
In the band £ 60,001 - £ 70,000	6	3
In the band £ 70,001 - £ 80,000	1	0
In the band £ 80,001 - £ 90,000	1	2
In the band £ 90,001 - £ 100,000	1	0
In the band £ 120,001 - £ 130,000	1	1
In the band £ 130,001 - £ 140,000	1	0

Ten of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £99,362 (2014 - £55,445). One other employee participated in the Local Government Pension Scheme. Pension contributions amounted to £12,883 (2014 - £13,889).

**13. Directors' 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 other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration, including employer's pension contributions, was as follows:

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<i>£</i>
Mr. P.J. Luxmoore, Executive Headteacher	135,000-140,000	<i>125,000-130,000</i>

During the year ended 31 August 2015, travel expenses totalling £2268 (2014 - £1389) were reimbursed to 2 Directors (2014 - 1).

**14. Directors' and officers' insurance**

In accordance with normal commercial practice the Company has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,358 (2014 - £1,302). The cost of this insurance is included in the total insurance cost.

**15. Central services**

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

**Coastal Academies Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**16. Tangible fixed assets**

	Freehold land and buildings £	L/Term Leasehold Property £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment and software £	Total £
<b>Cost or valuation</b>						
At 1 September 2014	43,461,098	-	25,675	548,343	251,535	44,286,651
Additions	50,918	-	-	46,514	98,243	195,675
Transferred in on existing academies	-	11,974,317	-	107,424	32,125	12,113,866
At 31 August 2015	43,512,016	11,974,317	25,675	702,281	381,903	56,596,192
<b>Depreciation</b>						
At 1 September 2014	2,474,564	-	2,675	422,797	141,434	3,041,470
Charge for the year	796,702	107,185	6,418	110,577	86,082	1,106,964
At 31 August 2015	3,271,266	107,185	9,093	533,374	227,516	4,148,434
<b>Net book value</b>						
At 31 August 2015	40,240,750	11,867,132	16,582	168,907	154,387	52,447,758
At 31 August 2014	40,986,534	-	23,000	125,546	110,101	41,245,181

Included in land and buildings is freehold land at valuation of £3,625,843 (2014 - £3,625,843) and leasehold land of £1,592,941 (2014: £nil) which is not depreciated.

**17. Stocks**

	2015 £	2014 £
Clothing	12,000	12,000
Catering	4,835	1,310
	16,835	13,310

**18. Debtors**

	2015 £	2014 £
Trade debtors	63,562	18,185
Other debtors	140,138	73,647
Prepayments and accrued income	374,566	282,928
	578,266	374,760

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**19. Creditors: Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	6,485	-
Trade creditors	350,192	105,029
Other taxation and social security	251,441	157,181
Other creditors	119,176	25,586
Accruals and deferred income	546,114	478,229
	<u>1,273,408</u>	<u>766,025</u>
		<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2014		335,900
Resources deferred during the year		92,195
Amounts released from previous years		(187,149)
Deferred income at 31 August 2015		<u>240,946</u>

Deferred income comprises the following received in advance for the 2014/15 academic year:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Contributions towards trips	84,548	105,446
EFA devolved formula capital	-	9,657
EFA rates grant	63,940	41,895
Other	11,495	9,819
EFA sponsorship grant	36,989	126,501
Universal infant free school meals grant	43,974	42,582
Total	<u>240,946</u>	<u>335,900</u>

**20. Creditors:**  
**Amounts falling due after more than one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	-	15,400

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**21. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	1,071,740	579,006	(432,281)	(104,918)	-	1,113,547
<b>Restricted funds</b>						
General Annual Grant (GAG) (note(i))	541,817	16,486,854	(16,618,984)	(190,706)	-	218,981
Other DfE/EFA grants (note(ii))	71,377	1,423,494	(1,387,995)	95,628	-	202,504
Other government grants (note(iii))	127,338	1,077,933	(796,938)	80,574	-	488,907
School trips (note(v))	(20,995)	333,615	(348,145)	6,899	-	(28,626)
Thanet Skills Studio	-	189,636	(308,447)	(178,258)	-	(297,069)
Voluntary Fund	-	8,343	(21,481)	19,517	-	6,379
Other	-	157,668	(332,115)	181,932	-	7,485
Pension reserve (note(iv))	(2,965,000)	(1,935,000)	(345,000)	-	(10,000)	(5,255,000)
	<u>(2,245,463)</u>	<u>17,742,543</u>	<u>(20,159,105)</u>	<u>15,586</u>	<u>(10,000)</u>	<u>(4,656,439)</u>
<b>Restricted fixed asset funds (note(vi))</b>						
DfE/EFA capital grants	121,002	84,874	(41,313)	-	-	164,563
Donated asset fund	40,993,875	12,113,866	(1,003,677)	-	-	52,104,064
Capital expenditure from unrestricted fund	130,304	-	(55,359)	86,798	-	161,743
Sport England grant	-	30,000	(6,614)	-	-	23,386
Capital expenditure from GAG	-	-	-	2,534	-	2,534
	<u>41,245,181</u>	<u>12,228,740</u>	<u>(1,106,963)</u>	<u>89,332</u>	<u>-</u>	<u>52,456,290</u>
<b>Total restricted funds</b>	<u>38,999,718</u>	<u>29,971,283</u>	<u>(21,266,068)</u>	<u>104,918</u>	<u>(10,000)</u>	<u>47,799,851</u>
<b>Total of funds</b>	<u><u>40,071,458</u></u>	<u><u>30,550,289</u></u>	<u><u>(21,698,349)</u></u>	<u><u>-</u></u>	<u><u>(10,000)</u></u>	<u><u>48,913,398</u></u>

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

(i) General Annual Grants must be used for the normal running costs of each individual academy, and hence are shown as a separate restricted fund.

(ii) The Other DfE/EFA grant fund relates to income received from the DfE and EFA, and included Pupil Premium and Universal Infant Free School Meal grants.

(iii) The Other Government grant fund relates to restricted income received from other government bodies and includes money received from Kent County Council.

(iv) The pension reserve relates to the academy trust's share of the deficit of the Local Government Pension Schemes overseen by its Local Authority.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

---

**21. Statement of funds (continued)**

(v) The school trips fund accounts for money received from parents and pupils specifically for educational trips and visits, which is treated as a restricted fund because it was given for a specific purpose.

(vi) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The gross transfer from the unrestricted general fund to the restricted fixed asset fund of £89,332 represents the total capital expenditure incurred out of unrestricted and GAG funds during the period.

Under the funding agreement with the Secretary of State, the Company was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Analysis of academies by fund balance**

Fund balances at 31 August 2015 were allocated as follows:

	<b>Total £</b>
Dane Court Grammar School	713,038
King Ethelbert School	741,024
Cliftonville Primary School	648,061
Hartsdown Academy	(390,015)
Total before fixed asset fund and pension reserve	1,712,108
Restricted fixed asset fund	52,456,290
Pension reserve	(5,255,000)
Total	48,913,398

The following academy is carrying a net deficit on its portion of the funds as follows:

<b>Name of academy</b>	<b>Amount of deficit £</b>
Hartsdown Academy	(390,015)

The deficit of £390,015 is after the inclusion of a £215,000 Pupil Premium Plus grant from Kent County Council of which £206,474 was unspent and has been carried forward in the restricted funds at the year end. This money is to be used by the Thanet Secondary Schools Headteachers.

The Company is taking the following action to return the academy to surplus:

1. There has been a review of part of the support staff structure which is due to be implemented from January 2016. In a full year this will result in savings of approximately £500,000.
2. The school is now starting to consider the next phase of restructuring which involves justifying the need for all other support staff and will involve a review of the curriculum offer. This review will include the Thanet Skills Studio.
3. All other non-staffing contracts are being reviewed and, where possible, cancelled.
4. A strict regime has now been put in place for all expenditure and orders are now only being placed where the educational benefit can be clearly demonstrated and/or there is a statutory obligation.
5. CAT will be approaching the EFA for a loan once it has fully assessed the financial position for the trust as a whole and once it has completed its full review of Hartsdown Academy's finances.

**Coastal Academies Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**21. Statement of funds (continued)**

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Dane Court Grammar School	4,381,035	374,674	711,467	671,746	6,138,922
King Ethelbert School	3,158,934	531,286	542,614	746,016	4,978,850
Cliftonville Primary School	2,193,992	194,366	186,009	448,563	3,022,930
Hartsdown Academy	4,063,464	609,540	662,117	1,115,563	6,450,684
	<u>13,797,425</u>	<u>1,709,866</u>	<u>2,102,207</u>	<u>2,981,888</u>	<u>20,591,386</u>

**22. Analysis of net assets between funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	52,447,758	52,447,758	41,245,181
Current assets	1,113,547	1,871,969	8,532	2,994,048	2,572,702
Creditors due within one year	-	(1,273,408)	-	(1,273,408)	(766,025)
Creditors due in more than one year	-	-	-	-	(15,400)
Pension scheme liability	-	(5,255,000)	-	(5,255,000)	(2,965,000)
	<u>1,113,547</u>	<u>(4,656,439)</u>	<u>52,456,290</u>	<u>48,913,398</u>	<u>40,071,458</u>

**23. Net cash flow from operations**

	2015 £	2014 £
Net incoming resources before revaluations	8,851,940	4,015,848
Returns on investments and servicing of finance	(14,944)	(23,989)
Cash impact of transfers in to academy trust	485,498	(133,172)
Capital grants and other capital income	(114,874)	(76,299)
Depreciation of tangible fixed assets	1,106,964	965,305
Deficit on disposal of tangible fixed assets	-	1,799
Transfers into the trust	(12,113,866)	(5,654,600)
(Increase)/decrease in stocks	(3,525)	440
Increase in debtors	(203,506)	(158,590)
Increase/(decrease) in creditors	485,498	(22,227)
Inherited pension scheme deficit	1,935,000	806,000
FRS 17 pension cost less contributions payable	267,000	82,000
FRS 17 pension finance cost	78,000	101,000
<b>Net cash inflow/(outflow) from operations</b>	<u>250,303</u>	<u>(96,485)</u>

**Coastal Academies Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2015

**24. Analysis of cash flows for headings netted in cash flow statement**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	14,944	23,989
	<u>14,944</u>	<u>23,989</u>
	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(195,675)	(150,413)
Capital grants from DfE and others	114,874	76,299
	<u>(80,801)</u>	<u>(74,114)</u>
<b>Net cash outflow capital expenditure</b>	<b>(80,801)</b>	<b>(74,114)</b>

**25. Analysis of changes in net funds**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	2,184,632	214,315	-	2,398,947
Bank overdraft	-	(6,485)	-	(6,485)
<b>Net funds</b>	<u>2,184,632</u>	<u>207,830</u>	<u>-</u>	<u>2,392,462</u>

**26. Transfers on existing academies moving into the trust**

On 1 December 2014 the Trust took over the management of Hartsdown Academy, an existing academy trust. All the operations and assets and liabilities were transferred to Coastal Academies Trust from Hartsdown Academy (company number 07556094, now dissolved) for £Nil consideration.

The transfer has been accounted for using the acquisition method. 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 voluntary income.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	11,974,317	11,974,317
- Other tangible fixed assets	-	-	139,549	139,549
Other net assets inherited	82,702	17,461	-	100,163
LGPS pension surplus/(deficit)	-	(1,935,000)	-	(1,935,000)
<b>Net assets/(liabilities)</b>	<u>82,702</u>	<u>(1,917,539)</u>	<u>12,113,866</u>	<u>10,279,029</u>

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**26. Transfers on existing academies moving into the trust (continued)**

The above net assets include £23,384 that was transferred as cash.

Due to the transfer of operations and assets and liabilities of Hartsdown Academy into the academy trust during the year, the trust's activities derive from a mixture of continuing and acquired operations. The split between continuing and acquired operations, using the main headings of the Statement of Financial Activities, is as follows:

	<b>Continuing operations</b>	<b>Acquired operations</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Total incoming resources	14,326,410	16,223,879	30,550,289
Total expended resources	(15,097,546)	(6,600,803)	(21,698,349)
Actuarial gains/(losses) on defined benefit pension scheme	(44,000)	34,000	(10,000)
	<u>(815,136)</u>	<u>9,657,076</u>	<u>8,841,940</u>
Net movement in funds per Statement of Financial Activities	<u>(815,136)</u>	<u>9,657,076</u>	<u>8,841,940</u>

**27. Contingent liabilities**

The trust is involved in a legal dispute, and, having lost the initial case, are currently appealing the decision at the High Court.

If the appeal is unsuccessful the trust will have to meet its own legal costs, but also the defendant's costs. It is difficult to estimate the value of the contingent liability, and no further information is included on the grounds that this might prejudice the appeal.

**28. Capital commitments**

At 31 August 2015 the Company had capital commitments as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	<u>-</u>	<u>59,000</u>

**29. Pension commitments**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £114,560 were payable to the scheme at 31 August 2015 (2014 - £24,230) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

---

**Coastal Academies Trust**  
**(A company limited by guarantee)**

---

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

---

**29. Pension commitments (continued)**

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

The pension costs paid to TPS in the period amounted to £1,197,196 (2014: £836,955).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Company has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £388,000, of which employer's contributions totalled £304,000 and employees' contributions totalled £84,000. The agreed contribution rates for future years are 24% for employers and 8% 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.

As described in note 26 the LGPS obligation relates to the employees of the Company. The obligation includes employees who were transferred into the trust from Hartsdown Academy and the obligation in respect of these employees represents their cumulative service at both the predecessor school and the Company at the balance sheet date.

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**29. Pension commitments (continued)**

The Company's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	3.60	3,786,000	3.60	1,943,000
Bonds	3.60	56,000	3.60	335,000
Property	5.90	612,000	5.90	290,000
Gilts	3.00	750,000	3.00	36,000
Cash	2.90	145,000	2.90	121,000
Target return portfolio	5.90	242,000	5.90	123,000
Total market value of assets		<u>5,591,000</u>		<u>2,848,000</u>
Present value of scheme liabilities		(10,846,000)		(5,813,000)
Deficit in the scheme		<u>(5,255,000)</u>		<u>(2,965,000)</u>

The amounts recognised in the Balance sheet are as follows:

	<b>2015 £</b>	<i>2014 £</i>
Present value of funded obligations	(10,846,000)	(5,813,000)
Fair value of scheme assets	5,591,000	2,848,000
Net liability	<u>(5,255,000)</u>	<u>(2,965,000)</u>

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

	<b>2015 £</b>	<i>2014 £</i>
Current service cost	(814,000)	(386,000)
Interest on obligation	(358,000)	(230,000)
Expected return on scheme assets	280,000	129,000
Total	<u>(892,000)</u>	<u>(487,000)</u>
Actual return on scheme assets	<u>105,000</u>	<u>218,000</u>

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**29. Pension commitments (continued)**

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	5,813,000	3,817,000
Current service cost	814,000	386,000
Interest cost	358,000	230,000
Contributions by scheme participants	168,000	84,000
Actuarial loss	(165,000)	175,000
Benefits paid	(178,000)	(20,000)
Transfer in from new academy	-	1,141,000
Transfer in from existing academy joining the trust	4,036,000	-
	<u>10,846,000</u>	<u>5,813,000</u>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	2,848,000	1,747,000
Expected return on assets	280,000	129,000
Actuarial gain	(175,000)	269,000
Contributions by employer	547,000	304,000
Contributions by employees	168,000	84,000
Benefits paid	(178,000)	(20,000)
Transfer in from new academy	-	335,000
Transfer in from existing academies joining the trust	2,101,000	-
	<u>5,591,000</u>	<u>2,848,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was a loss of £453,000 (2014 - £443,000).

The Company expects to contribute £707,000 to its Defined benefit pension scheme in 2016.

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

	<b>2015</b>	<b>2014</b>
Discount rate for scheme liabilities	3.90 %	3.90 %
Rate of increase in salaries	4.40 %	4.50 %
Rate of increase for pensions in payment / inflation	2.60 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %

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

	<b>2015</b>	<b>2014</b>
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

**Coastal Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**29. Pension commitments (continued)**

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(10,846,000)	(5,813,000)	(3,817,000)	(3,195,000)
Scheme assets	5,591,000	2,848,000	1,747,000	1,264,000
<b>Deficit</b>	<b>(5,255,000)</b>	<b>(2,965,000)</b>	<b>(2,070,000)</b>	<b>(1,931,000)</b>
Experience adjustments on scheme liabilities	-	178,000	-	-
Experience adjustments on scheme assets	(175,000)	269,000	139,000	58,000

**30. Operating lease commitments**

At 31 August 2015 the Company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	1,962	5,233
Between 2 and 5 years	232,548	29,714

**31. Related party transactions**

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

Donations of £1,250 (2014 - £4,870) were received from the Dane Court Grammar School Parents Association, a separately registered charity, during the year.

Income of £87,587 (2014 - £5,000) was received and expenditure of £9,924 (2014 - £Nil) was incurred in respect of the East Kent Learning Alliance Limited (EKLA), a teaching school alliance of East Kent schools including Dane Court Grammar School, King Ethelbert School and Hartsdown Academy.

At the 31 August 2015, EKLA owed the academy trust £Nil (2014 - £1,091).

**32. Ultimate controlling party**

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.