



**Company Registration Number:  
07912940 (England and Wales)**

**Energy Coast UTC  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year ended 31 August 2021**

# Energy Coast UTC

## Contents

<b>Item</b>	<b>Page</b>
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	10
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16
Independent Reporting Accountant's Report on Regularity	20
Statement of Financial Activities incorporating Income & Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	25
Other Notes to the Financial Statements	32

# Energy Coast UTC

## Trustees' Report

### Reference and Administrative Details

#### Members

Morgan Sindall Infrastructure  
Nuclear Decommissioning Authority  
University of Cumbria  
McMenon Engineering Services (appointed September 2021)

#### Trustees

Mr N Bailey  
Mr A Bulloch  
Dr D Connor (Vice Chair)  
Mr R Farrow (resigned 19 July 2021)  
Mr M Fox (term expired 4 May 2021)  
Mr P Freeman  
Mrs E Gooch  
Mr A Heron  
Mr A Hughes (resigned 2 November 2020)  
Mr P Johnston (appointed 26 April 2021)  
Mr G Martin (appointed 6 October, resigned 12th November 2021)  
Mrs M Mills  
Mr P Musk (appointed 18 January 2021)  
Ms H Redmond (appointed 5 May 2021) (staff trustee)  
Ms B Stephens OBE (Chair)  
Mrs L Thornton  
Ms C Tingle (principal and accounting officer)

#### Senior Management Team:

- Principal Ms C Tingle
- Deputy principal Ms K Wilson
- Business Director Mrs K Lee

Company Name Energy Coast UTC  
Principal and Registered Office Blackwood Road  
Lillyhall, Workington  
Cumbria, CA14 4JW

Company Registration Number 07912940

Independent Auditor Saint & Co  
The Old Police Station, Church Street  
Ambleside, Cumbria  
LA22 0BT

Bankers National Westminster  
31 Pow Street  
Workington, Cumbria  
CA14 3AW

Solicitors Burnetts  
6 Victoria Place  
Carlisle, Cumbria  
CA1 1ES

## **Energy Coast UTC**

### **Trustees' Report (continued)**

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

The UTC operates an academy specialising in Engineering for pupils aged 14 to 19 serving a catchment area of Allerdale and Copeland in West Cumbria. It has a pupil capacity of 480 and had a roll of 408 in the school census on 7 October 2021

Since the UTC qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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

#### **CONSTITUTION**

The academy is constituted under a Memorandum of Association dated 16 January 2012.

The principal object of the UTC is to advance, for the public benefit, education in the United Kingdom. This is done by establishing, maintaining, carrying on, managing and developing the school offering a broad and balanced curriculum, which includes provision for technical education.

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

#### **MEMBERS' LIABILITY**

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

The Members of the Charitable Company are:

McMenon Engineering Services  
Morgan Sindall Infrastructure  
Nuclear Decommissioning Authority  
University of Cumbria

#### **TRUSTEES' INDEMNITIES**

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

#### **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the UTC is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

New trustees are approached to join the Board due to changes in representation of members, due to constitutional requirements or a skill set missing from the board of trustees

The UTC members' are the only external bodies who are entitled to appoint trustees.

## **ENERGY COAST UTC**

### **Trustees' Report (continued)**

#### **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Trustees receive training covering their legal responsibilities, equality and diversity, safeguarding (including the Prevent Duty), health and safety and teaching and learning.

#### **ORGANISATIONAL STRUCTURE**

The Governing Body established three sub committees which are for Finance, Premises, and Personnel (combined with the Audit & Risk committee), Curriculum and Standards and Employer Engagement. The UTC Chair of Trustees is Ms Barbara Stephens OBE and on the executive side the Principal is Cherry Tingle.

#### **ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

When taking pay decisions, The Energy Coast UTC has regard to the Pay Policy and to the member of staff's particular post within the staffing structure. All procedures for determining pay are consistent with the principles of public life - objectivity, openness and accountability. It is assured that there will be equal treatment for all members of staff in regard to protected characteristics.

#### **CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The UTC College has a connected party relationship with The University of Cumbria. They are a founding member of the UTC and have representation on the UTC Governing Body. The University of Cumbria provided the services of their Internal Auditor which has been incorporated into the accounts as a donation and expense. The UTC also received funding of £2,300 through the U.O.C. Uni-Connect programme. Morgan Sindall, a member of the academy with representation on the UTC Governing Body, has provided £50,000 sponsorship/funding to the academy in 2020/21.

#### **ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The UTC carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the trustees.

The UTC has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equality & Diversity Policy
- Health & safety policy

In accordance with the UTC's Equal opportunities policy, the UTC has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the UTC's offices.

#### **Objectives and Activities**

#### **OBJECTS AND AIMS**

The trustees have adopted the following mission statement to encapsulate the aims and objects of Energy Coast UTC: 'Empowering our young people and Britain's Energy Coast through innovative, technically – focused education and training, to achieve high standards and excellence'.

# **ENERGY COAST UTC**

## **Trustees' Report (continued)**

### **OBJECTIVES, STRATEGIES AND ACTIVITIES**

The development of the Energy Coast UTC is to provide a world-class education experience which is specifically designed to ensure young people are prepared for work and university. Providing education for 14-19 year olds in West Cumbria, the curriculum combines academic classroom based learning with practical skills and a strong emphasis on Science, Technology, Engineering and Maths (STEM).

The Energy Coast UTC delivers core academic provision at both GCSE and A Level, with students receiving vocational BTEC and industry standard qualification related training in our temporary workshop facilities in the Gen2 building, delivered by ECUTC staff.

The Energy Coast UTC has developed successful collaborations with employers including initiatives such as 14-week projects with a variety of employers, such as Morgan Sindall Infrastructure, Arup, Iggesund, Shepleys, the Rotary Club, Nuvia, Sellafield Ltd, Balfour Beattie, McMenon and Wood. We are also partnered with Jacobs to deliver our national qualification in Digital Engineering (Design Engineer Construct) at Level 2 to all students in Key Stage 4 and as a level 3 option for 6th form. Additionally, we are now working with a variety of employer partners to source 50-day industrial placements for some of our 6th form students, which give students an invaluable experience of the workplace over a sustained period of time. Finally, we continue to work with Kaefer to provide all of our 6th form students with an accredited IOSH certificate.

### **PUBLIC BENEFIT**

In setting our objectives and planning our activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

#### **Strategic Report**

##### **Achievements and performance**

The UTC results at GCSE and post 16 have improved dramatically over the last four years. The UTC was inspected by Ofsted in June 2019 and judged to be outstanding in every single area and respect.

Of over 400 secondary schools inspected in 2019/20, only 34 were judged outstanding, and of those judged RI at their last inspection of which we were one, only 4 moved to outstanding.

Since then the ECUTC has won a number of national and local awards. Locally (Cumbria wide) we have won: Best Secondary School, Best Headteacher, Best Industry Engagement and Best Teacher awards. We have secured two silver (second in the country) and one gold (best in country) national awards for Best Secondary School, Best Headteacher and Best Teacher respectively.

We have also secured full DfE commitment to build a workshop block on site - construction of which is now taking place - which will negate the need for the lease and use of the temporary facilities in the Gen2 building. We have also secured DfE commitment for a new sports pitch and changing pavilion - which are also currently being constructed.

# **ENERGY COAST UTC**

## **Trustees' Report (continued)**

### **Strategic Report (continued)**

#### **Student progress from baseline**

Performance for the 2021 cohort is in line with the targeted journey of the school. The 2021 results were derived from Teacher Assessed Grades (TAGs) due to the Coronavirus pandemic and exams taking place. Most students make more than expected progress from their starting point across all subjects. Progress in English and Engineering is outstanding and progress in Maths and Science has improved quickly and is now at least good.

Key areas to monitor going forward are:

#### **Disadvantaged Students**

Disadvantaged students make slightly less progress than non, however this gap is closing and disadvantaged students make more progress than non pupil premium (PP) students nationally.

#### **High Prior Attainers**

High prior attainers (HPA) students now make excellent progress.

#### **Low Prior Attainers**

Although this is a small cohort it is important to ensure that none of these students are overlooked and focus is maintained on this group.

#### **Student Destinations**

Until 2020 the UTC has had 0 NEETS (not in education, employment or training) and an average of between 85-90% of students going in to apprenticeships. This is against a national figure of 5%. There are a very small number of NEETs in 2021, due to the current pandemic, however all these students have interviews or roles lined up and we are hoping they will be successful in obtaining work, apprenticeships or a university place.

#### **Student behaviour, personal development and welfare**

Student behaviour in and around the UTC continues to be outstanding.

#### **Attendance**

Attendance is still a concern in some areas, notably year 10 (new year 11) and disadvantaged. However attendance, even for these groups, is still improving and is significantly improved from students previous schools. Our Ofsted report recognised this and our only area for improvement was to continue to work on improving attendance.

## **ENERGY COAST UTC**

### **Trustees' Report (continued)**

#### **Strategic Report (continued)**

##### **Teaching and Learning**

Teaching and learning is now outstanding. A personalised CPD programme is in place this year, with additional sessions for all new staff.

##### **Student numbers**

Current student numbers are 408 as of the October 2021 census, a significant increase from last year. Student applications for year 10 in September 2022 are already oversubscribed with an active waiting list. Focus for next year is year 12 recruitment.

##### **Finance**

The financial situation of the UTC remains challenging. Three risks continue to apply: year 12 recruitment, pupil number adjustment (PNA) clawback and recoverable deficit funding repayment.

The UTC set a balanced budget for the 2020-21 and 2021-22 academic and financial years and this trend is forecasted to continue.

The UTC submitted 3 year financial plan to the ESFA in January 2021 which included an initial repayment profile for the outstanding PNA of £213,998 and £510,000 recoverable deficit funding. An updated plan and repayment profile was submitted in June 21 and the payment of £65,582 which the ESFA had planned in August 2021 was officially deferred until January 2022. Another payment from the original payment profile is £183,724 due in August 2022 (both amounts are shown in current liabilities in note 17). The payments due are purely for ESFA internal purposes until they can fully review the plan and profile in the autumn of 2021. The ESFA has given assurance that any repayment schedule agreed will be affordable to the trust. The submitted repayment profile shows repayments over the next 14 years. During 2020/21 £20,000 was paid towards the outstanding PNA.

## **ENERGY COAST UTC**

### **TRUSTEES' REPORT (continued)**

#### **Strategic Report (continued)**

#### **CORONAVIRUS PANDEMIC**

The impact of the Coronavirus pandemic was considerable and affected every aspect of school life; teaching and learning, attendance, examinations, pastoral care, staff and student mental health, student and family financial circumstances and related issues - as well as the direct financial aspect for the UTC. The school was proactive in its response across the areas listed below, carefully understanding guidance and undertaking thorough risk assessments.

##### **Teaching and Learning**

Both staff and students adapted well to remote learning with our school being one of the few in the area to offer a full timetable of live lessons to our students. Engagement in learning was good and the school received excellent feedback from families.

##### **Attendance**

Attendance at lessons during lockdown was generally good, averaging mid 90%, although some groups of students (predominantly PP students) found this harder. All students were contacted daily and safeguarding procedures were escalated where necessary.

##### **Examinations**

Following decisions taken by the government, Year 11 and Year 13 students did not take their exams and were awarded teacher assessed grades in all GCSEs, A levels and vocational and technical qualifications.

##### **Finance**

During 2020/21 the school was closed to pupils from January to March 2021. Like last year this resulted in some cost savings, however we also had additional cleaning and premises costs and we topped up the furloughed salaries of our cleaning and catering staff and paid, in full the transport contract.

#### **GOING CONCERN**

The school continues to work closely with the ESFA and the Board of trustees have a reasonable expectation that the UTC has adequate resources to continue in operational existence for the foreseeable future. Student numbers are continuing to increase (2019 - 310, 2020 - 359 and 2021 - 408) and the Trustees approved the 3-year financial plan in January (updated June) 2021 which showed balanced budgets up to the 2023/24 academic year.

The updated 3-year financial plan submitted to the ESFA in June 2021 included a repayment profile for the outstanding PNA of £213,998 and £510,000 recoverable deficit funding. The previous repayment profile included a payment of £65,582 in August 2021. After submission, the ESFA officially deferred this payment until January 2022; another payment from the original payment profile is £183,724 due in August 2022. The updated repayment profile will be reviewed during autumn 2021 and the school is awaiting acceptance along with confirmation that the January 2022 repayment will be removed. The Finance team works closely with the ESFA reporting monthly management accounts and cash-flow statements projected out to the end of 2021/22 academic year

Work started on the new £6m DfE funded extension in July 2021, this will accommodate 6 new state of the art workshops removing the need for the school to rely on external workshops. This is a considerable asset which the school will market throughout 2021/22.

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

## **ENERGY COAST UTC**

### **TRUSTEES' REPORT (continued)**

#### **FINANCIAL REVIEW**

Most of the UTC's income is obtained from the Department of Education (DfE) in the form of a recurrent grant, the use of which is restricted to educational purposes. The grant for the year is shown in the Statement of Financial Activities. The total DfE revenue for 2020-21 was £2.994m, with other income of £401k.

Total expenditure of funds during the year was £3.236m

Net assets at 31 August 2021 amounted to £3.872m being represented by Restricted Fixed Asset fund of £5.063m. In year surplus is £76k with the restricted fund's total deficit being £1.198m

The UTC operates and manages a risk register. Three risks continue to apply: year 12 recruitment, pupil number adjustment (PNA) clawback and recoverable deficit funding repayment.

The UTC was issued with a FNTI on 28 March 2017; this was lifted on 27 April 2021. The key actions which were taken to lift the FNTI were:

Ensure that all service level agreements (SLAs) and contracts are compliant with EU/UK procurement law and AFH requirements

Where any potential related party transaction (RPTs) exists the SLAs are "at cost" and the Trust has sufficient supporting processes and procedures to assure the EFA of this.

Adequate financial management and governance arrangements are in place to assure the financial position of the Trust and avoid: conflicts of interest, novel and contentious payments, accounting irregularities and inappropriate use of capital funds on revenue expenses

A review is undertaken of the use of capital grant funding to ensure that restricted capital funds have been used for the purposes intended.

The Trust has a Board that is sufficiently skilled, experienced and structured to maintain adequate oversight and The EFA receives appropriate assurance that improvements have been ratified and embedded.

The Trust must submit: minutes of each meeting of the Trust and each of its sub committees, The Budget Forecast Return (BFR) by 31 July 2017, 2016/17 Financial Statements by 31 December 2017 without qualification.

#### **RESERVES POLICY**

Reserves are held in accordance with the requirements laid down by the Department for Education. There are no free reserves held at present.

#### **INVESTMENT POLICY**

The Finance, Premises and Personnel Committee are responsible for ensuring effective summary of the treasury management strategies and policies. The UTC has not needed to implement any investment decisions.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

At the time of the audit, negotiations are still ongoing with the ESFA about the repayment terms of the clawback and the recoverable deficit funding, which is accounted for as liabilities in the current year. Additionally, year 12 recruitment remains a risk.

#### **FUNDRAISING**

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

#### **DEFICIT**

The restricted fund in deficit partly relates to the local government pension scheme reserve amounting to £696,000 (2020-21) which is calculated annually by the scheme's actuary. The UTC is currently able to meet the liabilities of the pension scheme as they fall due and hence the trustees will monitor this deficit and take appropriate steps, if required by the actuary, to make additional deficit contributions to the scheme.

The General Annual Grant (GAG) is also in deficit to £572,995 (2020: £720,525). This is mainly due to historic high costs for external teaching provision and a large pupil number adjustment in 2016/17.

## ENERGY COAST UTC

### TRUSTEES' REPORT (continued)

#### Future Developments

The UTC is committed to ensuring exceptional levels of progression into education, employment or training for its departing students. This will be achieved through maintaining high standards of academic and vocational provision. In addition, the UTC ensures students have work ready skills and knowledge gathered through the exposure to the UTCs employment led projects and range of enrichment activities. From September 2019, the UTC has benefited from having a new leased space at the Gen2 building, funded by the DfE. A new build on the UTC site for engineering workshops started development in July 2021.

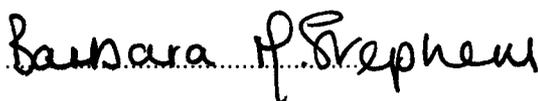
The Trust is being encouraged by the Regional Schools Commissioner (RSC) to set up a Multi Academy Trust (MAT). This would be based around the Outstanding Energy Coast UTC working with some other schools. The Trustees (Board?) and UTC leadership will continue to explore this during 2021/22.

#### AUDITOR

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ...8... December 2021... and signed on the board's behalf by:



**Ms B Stephens OBE**  
**Chair of trustees**

**DATE**

## **ENERGY COAST UTC**

### **GOVERNANCE STATEMENT**

#### **SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Energy Coast UTC and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### **GOVERNANCE**

Section 2.3 of the Academies Financial Handbook 2020 requires that if the board met less than six times it must describe how it maintained effective oversight of funds.

oThe full Board met five times during 2020/21.

oThe Board considered the financial position and performance of the UTC at each of these Board meeting, and at the five Finance Committee meetings and, this oversight is supplemented via the monthly meetings between the Principal and the Chair of the Finance Committee which focus on a review of the management accounts; the outcomes of these meetings are reported to the Finance Committee.

oAs required by the AFH Section 2.3, the Board confirm their belief that, while itself meeting formally fewer than six times a year, this approach ensures that it has effective oversight of funds.

## **ENERGY COAST UTC**

### **GOVERNANCE STATEMENT (continued)**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year (one being an extraordinary meeting). Attendance during the year at meetings of the board of trustees was as follows:

Neil Bailey 80%  
Alistair Bulloch 60%  
Donna Connor (Vice Chair) 100%  
Rick Farrow (resigned 18/07/2021) 60%  
Mike Fox (term ended 04/05/2021) 60%  
Patrick Freeman 100%  
Emma-Jayne Gooch 60%  
Andrew Heron 100%  
Andrew Hughes (resigned 02/11/2021) 0%  
Paul Johnston (appointed 26/04/2021) 60%  
Marie Mills 80%  
Peter Musk (appointed 18/01/2021) 80%  
Hope Redmond (term started 05/04/2021) 20%  
Barbara Stephens (Chair) 100%  
Lynne Thornton 60%  
Cherry Tingle (ex officio) 100%

#### **The Finance, Premises and Personnel Committee (combined with the Audit & Risk Committee)**

##### Terms of Reference (Advisory)

- 1 To consider and advise the Governing Body on financial matters (including investment and borrowing), risk management, land, buildings and estates and human resources.
- 2 To recommend the annual estimates of income and expenditure to the Governing Body for approval.
- 3 To consider at each meeting a monitoring report on income and expenditure and to make recommendations and observations to the Governing Body.
- 4 To monitor the deployment of non-financial resources, including personnel and property, to advise the Board on the effectiveness of the use of such resources.
- 5 To consider proposals for major capital expenditure and to make recommendations to the Board.
- 6 To monitor progress towards the timely achievement of capital build projects to cost and advising the Board.
- 7 To make recommendations for the Treasury Management Policy.

The Finance, Premises and Personnel committee have met 5 times during the academic year 2020/21. Attendance during the year at meetings was as follows:

Neil Bailey 100%  
Andrew Heron 100%  
Andrew Hughes (resigned 02/11/2021) 0%  
Barbara Stephens 100%  
Lynne Thornton (Chair) 100%  
Cherry Tingle 100%

## **ENERGY COAST UTC**

### **GOVERNANCE STATEMENT (continued)**

#### **REVIEW OF VALUE FOR MONEY**

As accounting officer, the principal has responsibility for ensuring that the UTC 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 UTC'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 or by using a framework where appropriate.

The accounting officer for the UTC has delivered improved value for money during the year by:

Regular budget and risk monitoring by the Finance team, Chair of Finance Committee and Principal. Any necessary remedial action is taken to address any significant variances that may impact on budget outturn.

Where appropriate tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace to ensure that long term contracts attain value for money. An exercise for the provision of gas was carried out in 2020, even though, due to the volatile nature of pricing, savings were not made, the best value deal was taken. When purchasing tables for the students to use in an outside area, the school went through a framework to ensure the best price was received.

#### **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 UTC 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 Energy Coast UTC for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### **CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the UTC is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the UTC's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## ENERGY COAST UTC

### GOVERNANCE STATEMENT (continued)

#### THE RISK AND CONTROL FRAMEWORK

The UTC's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Premises and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees, via the audit committee, has considered the Academies Financial Handbook requirements for internal scrutiny and has decided to appoint a team of internal auditors used by the member organisation, the University of Cumbria, to carry out this work.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the UTC's financial and other systems. In particular the checks carried out in the current period included a review of how the school prepares budgets and cashflows including assumptions used.

On an annual basis, the reviewer reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

In each of the Assurance Reports the auditors have stated that the UTC gives either substantial or reasonable assurance over the controls in place; but have also identified a series of improvements to be made. These improvements have been added to the UTC's audit log for implementation and regular review by the audit committee.

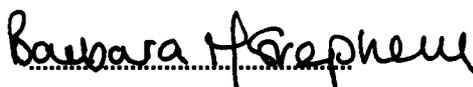
#### REVIEW OF EFFECTIVENESS

As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process;
- the work of the executive managers within the UTC 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 audit 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 trustees on .....8.12.21.....and signed on their behalf, by:



Ms B Stephens OBE  
Chair of Trustees



Ms C Tingle  
Accounting Officer

## ENERGY COAST UTC

### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Energy Coast UTC, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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



8/12/21

**Ms C Tingle, Principal  
Accounting Officer**

## ENERGY COAST UTC

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 8 December 2021 and signed on its behalf by:

Barbara H. Stephens

**Ms B Stephens OBE**  
Trustee

## **ENERGY COAST UTC**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENERGY COAST UTC**

#### **OPINION**

We have audited the financial statements of Energy Coast UTC for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **BASIS FOR OPINION**

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

#### **MATERIAL UNCERTAINTY RELATING TO GOING CONCERN**

We draw your attention to the Strategic Report and the section under Going Concern and the Trustees' Report and the section under Deficit, which indicate that the academy has no free reserves and a significant GAG deficit. The academy owes the ESFA £724,000 in respect of Deficit funding and Pupil Number Adjustment Clawback with a second repayment currently due in 2022. Therefore, the academy is heavily reliant on the support of the ESFA.

As stated, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

#### **OTHER INFORMATION**

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

## **ENERGY COAST UTC**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENERGY COAST UTC (continued)**

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

We have nothing to report in this regard.

#### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

#### **RESPONSIBILITIES OF TRUSTEES**

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

## **ENERGY COAST UTC**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENERGY COAST UTC (continued)**

#### **RESPONSIBILITIES OF TRUSTEES (continued)**

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

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
  - performed analytical procedures to identify any unusual or unexpected relationships;
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
  - investigated the rationale behind significant or unusual transactions.

## ENERGY COAST UTC

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENERGY COAST UTC (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

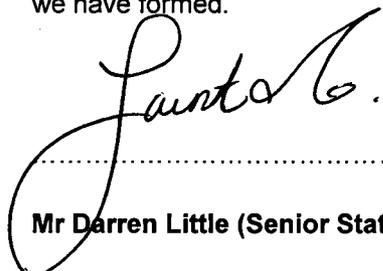
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....

**Mr Darren Little (Senior Statutory Auditor)**

For and on behalf of  
Saint & Co  
Chartered Accountants & Statutory Auditors  
The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date: 08 December 2021

## **Energy Coast UTC**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ENERGY COAST UTC AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Energy Coast UTC during the period 01 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **RESPECTIVE RESPONSIBILITIES OF THE ENERGY COAST UTC TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Energy Coast UTC's funding agreement with the Secretary of State for Education dated July 2013 and the Academies Financial Handbook, extant from 01 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA . We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

## Energy Coast UTC

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ENERGY COAST UTC AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusion includes:

- the School Resource Management Self-Assessment Checklist (SRMSAT) was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee/ governors declaration of interests;
- where present obtaining the accounting officer's file.

#### CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### Use of our report

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

  
.....  
**Mr Darren Little (Reporting Accountant)**

For and on behalf of

Saint & Co

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date: 08 December 2021

## Energy Coast UTC

### Statement of Financial Activities for the year ended 31 August 2021

#### (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	65,572	297,648	<b>363,220</b>	28,884
Charitable activities:						
Funding for the academy trust's educational operations	3	-	2,827,334		<b>2,827,334</b>	2,567,815
Other trading activities	4	107,040	96,986		<b>204,026</b>	111,183
Investments	5	34	-	-	<b>34</b>	364
<b>Total</b>		<b>107,074</b>	<b>2,989,892</b>	<b>297,648</b>	<b>3,394,614</b>	<b>2,708,246</b>
<b>Expenditure on:</b>						
Raising funds	6	57,469			<b>57,469</b>	51,410
Charitable activities:						
Academy trust educational operations	7		2,922,039	252,003	<b>3,174,042</b>	2,958,258
Other		-	-	4,834	<b>4,834</b>	-
<b>Total</b>		<b>57,469</b>	<b>2,922,039</b>	<b>256,837</b>	<b>3,236,345</b>	<b>3,009,668</b>
<b>Net income / (expenditure)</b>		<b>49,605</b>	<b>67,853</b>	<b>40,811</b>	<b>158,269</b>	<b>(301,422)</b>
<b>Transfers between funds</b>	15	<b>(42,210)</b>	<b>22,712</b>	<b>19,498</b>	<b>0</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	16, 25	-	(82,000)	-	<b>(82,000)</b>	(36,000)
<b>Net movement in funds</b>		<b>7,395</b>	<b>8,565</b>	<b>60,310</b>	<b>76,269</b>	<b>(337,422)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(1,207,003)	5,003,042	<b>3,796,039</b>	4,133,459
<b>Total funds carried forward</b>		<b>7,395</b>	<b>(1,198,439)</b>	<b>5,063,352</b>	<b>3,872,309</b>	<b>3,796,037</b>

**Energy Coast UTC**

**Balance Sheet as at 31 August 2021**

**Company Number 07912940**

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	11		4,724,395		4,953,638
<b>Current assets</b>					
Debtors	12	467,279		169,819	
Cash at bank and in hand		<u>256,667</u>		<u>131,871</u>	
		723,946		301,690	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	<u>(405,342)</u>		<u>(272,875)</u>	
<b>Net current assets</b>			<b>318,604</b>		<b>28,815</b>
<b>Total assets less current liabilities</b>			<b>5,042,999</b>		<b>4,982,453</b>
Creditors: Amounts falling due after more than one year	14		<u>(474,692)</u>		<u>(678,416)</u>
<b>Net assets excluding pension liability</b>			<b><u>4,568,307</u></b>		<b><u>4,304,037</u></b>
Defined benefit pension scheme liability	25		<u>(696,000)</u>		<u>(508,000)</u>
<b>Total assets</b>			<b><u>3,872,309</u></b>		<b><u>3,796,037</u></b>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	15	5,063,352		5,003,042	
. Restricted income fund	15	<u>(502,439)</u>		<u>(699,003)</u>	
. Pension reserve	15	<u>(696,000)</u>		<u>(508,000)</u>	
<b>Total restricted funds</b>			<b>3,864,913</b>		<b>3,796,039</b>
<b>Unrestricted income funds</b>	15		<u>7,395</u>		<u>(0)</u>
<b>Total funds</b>			<b><u>3,872,309</u></b>		<b><u>3,796,038</u></b>

The financial statements on pages 21 to 48 were approved by the trustees, and authorised for issue on 8/12/2021 and are signed on their behalf by:

  
 Ms B Stephens OBE  
 Trustee

  
 Ms C Tingle, Principal  
 Accounting Officer

## Energy Coast UTC

### Statement of Cash Flows for the year ended 31 August 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	19	(142,699)	36,361
<b>Cash flows from investing activities</b>	21	267,496	(10,102)
<b>Cash flows from financing activities</b>	20	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>124,797</b>	<b>26,259</b>
<b>Cash and cash equivalents at 1 September 2020</b>		<b>131,871</b>	<b>105,612</b>
<b>Cash and cash equivalents at the 31 August 20221</b>	22	<b>256,668</b>	<b>131,871</b>

# Energy Coast UTC

## Notes to the Financial Statements

### 1 Accounting Policies

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

#### Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

#### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the UTC to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future. This is subject to continued support by the Education and Skills Funding Agency. The trustees have reasonable confidence that this support will be provided and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

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

#### Grants

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

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

# Energy Coast UTC

## Notes to the Financial Statements

### 1 Accounting Policies (continued)

#### Grants (continued)

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

#### Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

#### Other Income

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

#### Donated goods, facilities and services

Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### Expenditure

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

# Energy Coast UTC

## Notes to the Financial Statements

### 1 Accounting Policies (continued)

#### Expenditure (continued)

##### Expenditure on Raising Funds

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

##### Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT

##### Tangible Fixed Assets

Assets, or a group of assets (purchases as an investment) costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a **straight-line** basis over its expected useful life, as follows:

Long term ground lease - 125 years

Long term leasehold property - 30 Years

Furniture & fixtures - 5 Years

Computer equipment - 3 Years

Plant & Machinery - 15 Years

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

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

##### Liabilities

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

# Energy Coast UTC

## Notes to the Financial Statements

### 1 Accounting Policies (continued)

#### Provisions

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

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

#### Leased Assets

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

#### Taxation

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

#### Pensions Benefits

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

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

## **Energy Coast UTC**

### **Notes to the Financial Statements**

#### **1 Accounting Policies (continued)**

##### **Pensions Benefits (continued)**

The LGPS is a multi-employer scheme and the assets are held separately from those of the UTC in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The last LGPS valuation was done 31 March 2019 and they used the roll forward approach to get to liability at 31 August 2021. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

##### **Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **Fund Accounting**

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

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

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

##### **Agency Arrangements**

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

# Energy Coast UTC

## Notes to the Financial Statements

### 1 Accounting Policies (continued)

#### Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Depreciation

Establishing useful economic lives for depreciation purposes. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimated of residual values. Trustees regularly review the useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies are included in the accounting policies.

## **Energy Coast UTC**

### **Notes to the Financial Statements**

#### **1 Accounting Policies (continued)**

##### **Financial instruments**

The UTC only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the UTC and their measurement basis are as follows: Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value. Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

## Energy Coast UTC

### Notes to the Financial Statements

#### 2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Capital Grants	-	282,197	282,197	-
. Devolved Capital Formula	-	9,693	9,693	9,434
. Additional Capital Grant	-	-	-	10,000
Sponsorship	-	50,000	50,000	-
Donations	-	21,329	21,329	9,450
	<u>-</u>	<u>363,219</u>	<u>363,219</u>	<u>28,884</u>
2020 Comparative	<u>1,110</u>	<u>27,774</u>	<u>28,884</u>	

#### 3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	2020 £
<b>DfE / EFA grants</b>				
. General Annual Grant (GAG)	-	2,267,612	2,267,612	1,798,982
. UTC Transitional Funding	-	100,000	100,000	200,000
. Capacity & Delivery Funding	-	-	-	20,000
. Other DfE/EFA grants	-	23,914	23,914	204,400
. Other DfE/EFA grants - Pupil Premium	-	61,677	61,677	61,243
. Other DfE/EFA grants - Teacher Pay & Teacher Pension	-	123,780	123,780	112,110
. Other DfE/EFA grants - Lease	-	95,000	95,000	71,250
	<u>-</u>	<u>2,671,983</u>	<u>2,671,983</u>	<u>2,467,985</u>
<b>Other Government grants</b>				
. Local authority grants	-	95,813	95,813	72,487
. Special educational projects	-	-	-	-
	<u>-</u>	<u>95,813</u>	<u>95,813</u>	<u>72,487</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>				
. 16-19 Tuition Fund	-	5,245	5,245	-
. COVID-19 Catch Up Premium	-	17,840	17,840	-
. Coronavirus exceptional support	-	6,672	6,672	3,330
	<u>-</u>	<u>29,757</u>	<u>29,757</u>	<u>3,330</u>
<b>COVID-19 additional funding (non DfE/ESFA)</b>				
. COVID-19 Workforce Fund	-	3,241	3,241	-
. COVID-19 Mass Testing	-	25,080	25,080	-
	<u>-</u>	<u>28,321</u>	<u>28,321</u>	<u>-</u>
Other income from the academy trust's educational operations	-	1,460	1,460	24,013
	<u>-</u>	<u>2,827,334</u>	<u>2,827,334</u>	<u>2,567,815</u>
2020 Comparative	<u>-</u>	<u>2,567,815</u>	<u>2,567,815</u>	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding" and amounted to £6,672 (2020: £3,330). Cost incurred in respect of this funding totalled £6,672 (2020 : £3,330)

The academy received £5,245 of funding for 16-19 Tuition fund and £17,840 for Catch up Premium. Costs incurred in respect of this funding totalled £23,085 with no funds carried over. The Academy received £3,241 for COVID-19 Workforce Funding and £25,080 for COVID-19 Mass Testing Funding. Costs incurred in respect of this funding totalled £28,321 with no funds carried over.

## Energy Coast UTC

### Notes to the Financial Statements

#### 4 Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Letting income	-	-	-	25
Catering income	58,682	-	<b>58,682</b>	57,879
Other income	48,358	96,986	<b>145,344</b>	53,279
	<b>107,040</b>	<b>96,986</b>	<b>204,026</b>	<b>111,183</b>
2020 Comparative	<b>64,604</b>	<b>46,580</b>	<b>111,184</b>	

#### 5 Investment income

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Bank interest received	<b>34</b>	-	<b>34</b>	364
	<b>34</b>	-	<b>34</b>	<b>364</b>
2020 Comparative	<b>364</b>	-	<b>364</b>	

#### 6 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2021	2020
	£	£	£	£	£
Expenditure on raising funds			57,469	<b>57,469</b>	51,410
Academy's educational operations:					
. Direct costs	1,846,007		521,882	<b>2,367,889</b>	2,208,699
. Allocated support costs	315,881	262,712	232,392	<b>810,985</b>	749,559
	<b>2,161,888</b>	<b>262,712</b>	<b>811,743</b>	<b>3,236,343</b>	<b>3,009,668</b>
2020 Comparative	<b>1,952,774</b>	<b>225,138</b>	<b>831,755</b>	<b>3,009,667</b>	

Net income/(expenditure) for the period includes:

	2021	2020
	£	£
Operating lease rentals	<b>119,978</b>	105,380
Depreciation	<b>251,894</b>	220,841
(Gain)/loss on disposal of fixed assets	<b>1,667</b>	-
Fees payable to auditor for:		
- audit	<b>9,500</b>	9,500
- other assurance services	<b>675</b>	515

## Energy Coast UTC

### Notes to the Financial Statements

#### 7 Charitable Activities

	Total 2021 £	Total 2020 £
Direct costs – educational operations	2,367,889	2,208,699
Support costs – educational operations	810,985	749,559
	<b>3,178,874</b>	<b>2,958,258</b>

Analysis of direct costs	Educational operations £	Total 2021 £	Total 2020 £
Wages and salaries	1,299,922	1,299,922	1,135,736
National Insurance	137,611	137,611	118,154
Pension cost	389,921	389,921	352,454
Net pension finance costs	10,000	10,000	6,000
Educational services	89,981	89,981	142,971
Staff recruitment	7,360	7,360	12,520
Staff training and development	6,932	6,932	7,086
SLA	34,513	34,513	68,255
Examination Fees	76,149	76,149	67,194
Catering Costs	44,944	44,944	45,852
Supply and staff restructuring costs	18,553	18,553	31,636
Depreciation	252,003	252,003	220,841
<b>Total direct costs</b>	<b>2,367,889</b>	<b>2,367,889</b>	<b>2,208,699</b>

2020 Comparative	<u>2,208,699</u>	<u>2,208,699</u>
------------------	------------------	------------------

Analysis of support costs	Educational operations £	Total 2021 £	Total 2020 £
Support staff costs	315,881	315,881	308,794
Advertising and marketing	7,273	7,273	24,708
Office Costs	70,047	70,047	70,330
Consultation	45,581	45,581	33,655
Bank charges	887	887	1,121
Insurance	6,629	6,629	5,767
Heat and light	33,885	33,885	32,949
Maintenance of premises and equipment	105,267	105,267	96,099
Building Lease	95,000	95,000	71,250
Travel and subsistence	384	384	4,580
Rates	21,931	21,931	24,840
Computer costs	82,911	82,911	42,619
Governance costs	25,309	25,309	32,846
<b>Total support costs</b>	<b>810,985</b>	<b>810,985</b>	<b>749,559</b>

2020 Comparative	<u>749,559</u>	<u>749,559</u>
------------------	----------------	----------------

# Energy Coast UTC

## Notes to the Financial Statements

### 8 Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2021 £	Total 2020 £
Wages and salaries	1,554,967	1,387,835
Social security costs	159,862	140,447
Operating costs of defined benefit pension schemes	428,506	386,857
	<b>2,143,335</b>	<b>1,915,139</b>
Supply staff costs	18,553	31,636
Staff restructuring costs	-	-
	<b>2,161,888</b>	<b>1,946,774</b>
Staff restructuring costs comprise:		
Severance payments	-	-
	-	-

#### b. Non statutory/non contractual staff severance payments

No non-statutory/non-contractual severance payments were made. (2020: nil)

#### c. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2021 - No.	2020 - No.
Teachers	25	25
Administration and support	17	17
Management	1	1
	<b>43</b>	<b>43</b>

#### d Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 - No.	2020 No.
£60,001-70,000	1	0
£110,001 - £120,000	1	0
£120,001 - £125,000	0	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 related employer's pension contributions amounted to £10,000-15,000 (2020 - £nil) and £25,000-30,000 (2020 - £30,000-35,000).

#### e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £371,961 (2020: £355,855).

## Energy Coast UTC

### Notes to the Financial Statements

#### 9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

C Tingle (Principal):

- . Remuneration £110,001 - £120,000 (2020: £120,001 - £125,000)
- . Employer's pension contributions paid £25,000 - £30,000 (2020: £30,000 - £35,000)

M Fox (staff trustee):

- . Remuneration until 04.05.21 - £25,000 - £30,000 (2020: £30,000 - £35,000)
- . Employer's pension contributions paid to 04.05.21 - £1,000 - £5,000 (2020: £5,000 - £10,000)

H Redmond (staff trustee):

- . Remuneration from 04.05.21 - £10,000 - £15,000 (2020: £nil)
- . Employer's pension contributions paid from 04.05.21 - £1,000 - £5,000 (2020: £nil)

No expenses were reimbursed to trustees (2020: £nil)

During the year, no trustees received any benefits in kind (2020: £nil)

#### 10 Trustees' and officers' insurance

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

## Energy Coast UTC

### Notes to the Financial Statements

#### 11 Tangible Fixed Assets

	Leasehold Property	Furniture and fixtures	Plant and equipment	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2020	5,274,865	526,331	723,761	516,790	7,041,748
Additions	-	22,321	-	2,106	24,427
Disposals	-	(5,694)	(3,000)	(1,261)	(9,955)
At 31 August 2021	<u>5,274,865</u>	<u>542,958</u>	<u>720,761</u>	<u>517,635</u>	<u>7,056,220</u>
<b>Depreciation</b>					
At 1 September 2020	1,003,528	523,665	103,365	457,552	2,088,110
Charged in year	171,066	2,981	48,064	29,891	252,003
Disposals	-	(5,694)	(1,333)	(1,261)	(8,288)
At 31 August 2021	<u>1,174,594</u>	<u>520,952</u>	<u>150,097</u>	<u>486,182</u>	<u>2,331,825</u>
<b>Net book values</b>					
At 31 August 2020	4,271,337	2,666	620,396	59,238	4,953,638
At 31 August 2021	<u>4,100,271</u>	<u>22,006</u>	<u>570,665</u>	<u>31,454</u>	<u>4,724,395</u>

The academy has a 125 year lease from the "Homes & Communities Agency". The long-term leasehold property is subject to a legal charge dated September 2014 in favour of The Secretary of State for Education over the land in Workington from which the UTC operates.

In addition the academy trust has the following transaction relating to land and buildings - the taking up of a leasehold on temporary workshop accommodation for £95,000 per annum over a term of up to 5 years. The start date of the lease was 29 July 2019

Included within the cost of leasehold property of £5,274,865 is £188,000 of leasehold land. The value of this has been derived from the lease premium paid on inception of the lease.

Not included in the above is a new £6m DfE funded extension which started construction in July 2021, this will accommodate 6 new state of the art workshops removing the need for the school to rely on external workshops and is due to open in summer 2022.

## Energy Coast UTC

### Notes to the Financial Statements

#### 12 Debtors

	2021	2020
	£	£
Trade debtors	190	40
Other debtors	10,105	6,166
Prepayments and accrued income	456,983	163,612
	<b>467,278</b>	<b>169,818</b>

#### 13 Creditors: Amounts Falling due within one year

	2021	2020
	£	£
Trade creditors	371	29,850
Other taxation and social security	40,994	33,883
Other creditors	46,945	33,341
EFA creditor: Recoverable Deficit Funding	249,306	65,582
Accruals and deferred income	67,726	110,219
	<b>405,342</b>	<b>272,875</b>

#### Deferred income

	2021	2020
	£	£
Deferred income at 1 September 2020	42,424	18,885
Released from previous years	(42,424)	(18,885)
Resources deferred in the year	34,387	42,424
Deferred Income at 31 August 2021	<b>34,387</b>	<b>42,424</b>

At the balance sheet date the academy trust was holding funds received in advance for pupils in the 2020/21 academic year amounting to £7,921 (2020: £9,779), rates relief amounting to £10,633 (2020: £10,721), ESFA grant funding lease payments amounting to £15,833 (2020: £15,833), exam credits amounting to £nil (2020:£4,573) with smaller transactions totalling £nil. (2020: £1,518)

#### 14 Creditors: Amounts Falling due in greater than one year

	2020	2019
	£	£
EFA creditor: Pupil Number Adjustment	213,998	233,998
EFA creditor: Recoverable Deficit Funding	260,694	444,418
	<b>474,692</b>	<b>678,416</b>

The ESFA Recoverable deficit funding of £510,000 is classed as a Public Benefit Entity Concessionary Loan, no interest has been charged on the loan and a repayment profile is in place for repayments to start in January 2022 (£65,418) with another payment due in August 2022 of £183,724. These payments are purely for ESFA purposes only until they review the submitted repayment profile in Autumn 2021. The ESFA has gave assurance that any repayments will be affordable to the trust.

## Energy Coast UTC

### Notes to the Financial Statements

#### 15 Statement of Funds

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(720,525)	2,367,612	(2,295,680)	75,598	(572,995)
Other Educational Income	8,000	138,154	(62,282)	(34,860)	49,012
Other ESFA Income - Pupil Premium	13,521	61,677	(62,874)		12,324
Other ESFA Income - T.P. & T.E.P. Grant		123,780	(113,426)	(10,354)	-
Other ESFA Income - Lease	-	95,000	(95,000)		-
Other ESFA Income - COVID-19 additional funding		29,757	(23,085)	(6,672)	-
Other Income - COVID-19 additional funding		28,321	(27,321)	(1,000)	-
Local authority grants		95,813	(95,813)		-
iPad Scheme		49,778	(40,558)		9,220
Pension reserve	(508,000)	-	(106,000)	(82,000)	(696,000)
	<b>(1,207,003)</b>	<b>2,989,892</b>	<b>(2,922,039)</b>	<b>(59,288)</b>	<b>(1,198,438)</b>
<b>Restricted fixed asset funds</b>					
Fixed Assets used for charitable purposes	4,953,638	-	(253,670)	24,428	4,724,396
DfE/EFA capital grants	-	9,693		(4,930)	4,763
DfE Extension Grant		282,197			282,197
Other Unspent ESFA Capital monies	12,081				12,081
Proceeds from sale of assets	2,860				2,860
ESFA - Capital - Temp	34,463	5,758	(3,167)		37,054
	<b>5,003,042</b>	<b>297,648</b>	<b>(256,837)</b>	<b>19,498</b>	<b>5,063,352</b>
<b>Total restricted funds</b>	<b>3,796,039</b>	<b>3,287,540</b>	<b>(3,178,876)</b>	<b>(39,790)</b>	<b>3,864,915</b>
<b>Total unrestricted funds</b>	<b>-</b>	<b>107,074</b>	<b>(57,469)</b>	<b>(42,210)</b>	<b>7,395</b>
<b>Total funds</b>	<b>3,796,039</b>	<b>3,394,614</b>	<b>(3,236,345)</b>	<b>(82,000)</b>	<b>3,872,309</b>

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

#### RESTRICTED FUNDS

Restricted funds relate to monies which have been given for specific educational purposes.

General Annual Grant (GAG) must be used for the normal running costs of the UTC

The academy is carrying a net deficit of £501,865 on restricted general funds (excluding pension reserves) partly due to the remaining EFA Clawback of £213,998 in respect of pupil numbers for the 2016/17 academic year. The remainder is due to operating deficit. A repayment plan was submitted in June 2021 to repay the debt to ESFA; this would be over a period of 14 years. This repayment plan is yet to be agreed by ESFA.

A balance of £42,210 from unrestricted funds has been transferred to restricted funds to alleviate the G.A.G. deficit. Part of the 2020/21 DfE capital grant of £9,693 was used for a unplanned maintenance need, the remainder will be carried forward to use in 2021/22. £24,428 from revenue funds were used to purchase large items for COVID-19 safety (safety screens and tables) and to replace the CCTV system. Identified other educational income funds to carry forward totalled £70,556; this enabled £20,210 to be transferred up to GAG funds to alleviate the deficit.

A balance of £282,197 is held in the restricted fixed asset funds for the DfE Extension Grant. This will be used to buy F&F and P&E for the extension which is due to be completed by September 2022.

The funds balance of £49,012 within the other educational income relates to income received during 2020/21 to be used in 2021/22. This includes £15,375 income from Edge Hill to be used by departments for educational activities; £17,736 from other income to be used for additional pastoral support for year 10s and 11s.

## Energy Coast UTC

### Notes to the Financial Statements

#### 15 Statement of Funds (continued)

The Pension reserve relates to the UTC's share of the deficit of the Local Government Pension Scheme (LGPS).

#### RESTRICTED FIXED ASSET FUNDS

The closing balance of the fund reflects the net book value of the assets purchased to date using these funds whether granted or gifted, along with grants received for which assets will be purchased in future periods.

Under the funding agreement with the Secretary of State, the UTC was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

#### STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(780,063)	2,018,982	(2,019,489)	60,045	(720,525)
Other Educational Income	23,661	471,260	(436,528)	(50,392)	8,000
Pupil Premium	22,716	61,243	(70,438)		13,521
Other ESFA Income - Lease		71,250	(71,250)		-
Engineering Laptops	1,792			(1,792)	-
Morgan Sindall Sponsorship	23,940	-	(23,940)		-
Morgan Sindall Numeracy Donat	20,184			(20,184)	-
Pension reserve	(369,000)	-	(103,000)	(36,000)	(508,000)
	<b>(1,056,770)</b>	<b>2,622,735</b>	<b>(2,724,645)</b>	<b>(48,323)</b>	<b>(1,207,003)</b>
<b>Restricted fixed asset funds</b>					
Fixed Assets used for charitable purposes	5,085,991	-	(220,841)	88,489	4,953,638
DfE/EFA capital grants	-	9,434		(9,434)	-
Other Unspent ESFA Capital mo	13,844			(1,763)	12,081
Proceeds from sale of assets	2,860				2,860
ESFA - Capital - Temp	87,535	10,000	(12,771)	(50,301)	34,463
	<b>5,190,230</b>	<b>19,434</b>	<b>(233,612)</b>	<b>26,991</b>	<b>5,003,042</b>
<b>Total restricted funds</b>	<b>4,133,460</b>	<b>2,642,169</b>	<b>(2,958,257)</b>	<b>(21,332)</b>	<b>3,796,039</b>
<b>Total unrestricted funds</b>	<b>-</b>	<b>66,078</b>	<b>(51,410)</b>	<b>(14,668)</b>	<b>(0)</b>
<b>Total funds</b>	<b>4,133,460</b>	<b>2,708,246</b>	<b>(3,009,667)</b>	<b>(36,000)</b>	<b>3,796,038</b>

## Energy Coast UTC

### Notes to the Financial Statements

#### 16 Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	4,724,395	<b>4,724,395</b>
Current assets	7,395	377,591	338,957	<b>723,946</b>
Current liabilities	-	(405,342)	-	<b>(405,342)</b>
Non-current liabilities	-	(474,692)	-	<b>(474,692)</b>
Pension scheme liabi	-	(696,000)	-	<b>(696,000)</b>
<b>Total net assets</b>	<b>7,395</b>	<b>(1,198,439)</b>	<b>5,063,352</b>	<b>3,872,307</b>

#### Analysis of Net Assets between Funds - PRIOR YEAR

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	4,953,638	<b>4,953,638</b>
Current assets	(0)	246,042	55,650	<b>301,690</b>
Current liabilities	-	(272,875)	-	<b>(272,875)</b>
Non-current liabilities	-	(678,416)	-	<b>(678,416)</b>
Pension scheme liabi	-	(508,000)	-	<b>(508,000)</b>
<b>Total net assets</b>	<b>(0)</b>	<b>(1,213,250)</b>	<b>5,009,288</b>	<b>3,796,037</b>

#### 17 Capital Commitments

	2021	2020
	£	£
Contracted for, but not provided in the financial statements	<b>34,140</b>	0

#### 18 Commitments under operating leases

##### Operating Leases

At 31 August 2021 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£	£
Amounts due within one year	<b>101,204</b>	112,631
Amounts due between one and five years	<b>21,379</b>	18,094
Amounts due after five years	-	-
	<b>122,583</b>	<b>130,725</b>

## Energy Coast UTC

### Notes to the Financial Statements

<b>19 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>158,269</b>	(301,421)
Adjusted for:		
Depreciation charges (note 11)	<b>252,003</b>	220,841
(Gain)/losses on disposal of tangible fixed assets	<b>1,667</b>	-
Capital grants from DfE and other capital income	<b>(291,890)</b>	(78,023)
Interest receivable (note 5)	<b>(34)</b>	(364)
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 23)	<b>96,000</b>	87,000
Defined benefit pension scheme finance cost (note 23)	<b>10,000</b>	9,000
Defined benefit pension scheme past service cost	-	7,000
(Increase)/decrease in debtors	<b>(297,457)</b>	120,436
Increase/(decrease) in creditors	<b>(71,257)</b>	(28,108)
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(142,699)</b>	36,361
<b>20 Cash Flows from Financing Activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>21 Cash Flows from Investing Activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Dividends, interest and rents from investments	<b>34</b>	364
Purchase of tangible fixed assets	<b>(24,428)</b>	(88,489)
Proceeds from sale of tangible fixed assets	-	-
Capital grants from DfE/EFA	<b>291,890</b>	78,023
Capital funding received from sponsors and others	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>267,496</b>	(10,102)
<b>22 Analysis cash and cash equivalents</b>	<b>At 31</b>	<b>At 31</b>
	<b>August</b>	<b>August</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash in hand and at bank	256,667	131,871
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>256,667</b>	<b>131,871</b>

## Energy Coast UTC

### Notes to the Financial Statements

#### 23 Analysis of changes in net debt

	At 1 September 2020	Cash Flows	Other non- cash changes	At 31 August 2021
	£	£	£	£
Cash	131,872	124,797		256,669
Cash equivalents	-	-	-	-
Overdraft facility repayable on demand	-			
Loans falling due within one year	(65,582)		(183,724)	(249,306)
Loans falling due after more than one year	(678,416)	20,000	183,724	(474,692)
Finance lease obligation				-
<b>Total</b>	<b>(612,126)</b>	<b>144,797</b>	<b>-</b>	<b>(467,329)</b>

#### 24 Members' Liability

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

## Energy Coast UTC

### Notes to the Financial Statements

#### 25 Pension and Similar Obligations

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

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

Contributions amounting to £38,369 were payable to the schemes at 31 August 2021 (2020: £33,341) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £273,975 (2020: £240,195)

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

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

## **Energy Coast UTC**

### **Notes to the Financial Statements**

**25**

#### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2021 was £83,881 (2020: £75,075), of which employer's contributions totalled £58,463 (2020: £52,213) and employees' contributions totalled £25,418 (2020: £22,862) The agreed contribution rates for future years are 15.4% for employers and 5.6-12.5% for employees.

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

The UTC expects to contribute £64,000 to it's defined benefit pension scheme in 2021/22.

## Energy Coast UTC

### Notes to the Financial Statements

#### 25 Pension and Similar Obligations (continued)

##### McCloud

In 2015, the government introduced reforms to public sector pensions, meaning many public sector workers were moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to members in these schemes amounted to unlawful discrimination. This case is known as McCloud.

The Supreme Court decision in June 2019 not to allow the government leave to appeal, means the difference in treatment needs to be remedied across all relevant schemes, including the Local Government Pension Scheme (LGPS).

The impact of McCloud was taken into account in the FRS102 actuarial valuation and considered for disclosure in the trust's 2019/20 financial statements. It was found that there was no impact and no disclosure is required.'

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2021</b>	At 31 August 2020
Rate of increase in salaries	<b>4.30%</b>	<b>3.80%</b>
Rate of increase for pensions in payment/inflation	<b>2.90%</b>	<b>2.40%</b>
Discount rate for scheme liabilities	<b>1.70%</b>	<b>1.80%</b>
Inflation assumption (CPI)	<b>2.80%</b>	<b>2.30%</b>

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

	<b>At 31 August 2021</b>	At 31 August 2020
<i>Retiring today</i>		
Males	<b>22.7</b>	<b>22.6</b>
Females	<b>25.3</b>	<b>25.2</b>
<i>Retiring in 20 years</i>		
Males	<b>24.3</b>	<b>24.2</b>
Females	<b>27.2</b>	<b>27.1</b>
<b>Sensitivity analysis - deficit value</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Discount rate +0.1%	<b>(649)</b>	(471)
CPI rate +0.1%	<b>(744)</b>	(546)
Pay Growth +0.1%	<b>(696)</b>	-
Mortality assumption 1 year increase	<b>(753)</b>	(549)
Investment return +1%	<b>(684)</b>	-
Investment return -1%	<b>(708)</b>	-
Discount rate -0.1%	<b>(744)</b>	(546)
Mortality assumption 1 year decrease	<b>(641)</b>	(468)
CPI rate -0.1%	<b>(649)</b>	(471)

## Energy Coast UTC

### Notes to the Financial Statements

#### 25 Pension and Similar Obligations (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2021	Fair value at 31 August 2020
	£000	£000
Equities	453	326
Government bonds	199	183
Property	88	52
Other bonds	-	2
Cash/Liquidity	44	91
Other	373	288
<b>Total market value of assets</b>	<b>1,157</b>	<b>942</b>

The actual return on scheme assets was £163,000 (2020: £2,000).

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

	2021	2020
	£000	£000
Current service cost (net of employee contributions)	(146)	(134)
Past Service Costs	-	(7)
Net interest cost	(10)	(6)
Admin expenses	(3)	(3)
<b>Total amount recognised in the SOFA</b>	<b>(159)</b>	<b>(150)</b>

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

	2021	2020
	£'000	£'000
<b>At 1 September</b>	<b>1,450</b>	<b>1,116</b>
Current service cost	146	134
Interest cost	27	20
Employee contributions	26	23
Past service cost	-	7
Actuarial (gain)/loss	227	152
Benefits paid	(23)	(2)
Plan introductions, benefit changes, curtailments and settlements		
<b>At 31 August</b>	<b>1,853</b>	<b>1,450</b>

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

	2021	2020
	£'000	£'000
<b>At 1 September</b>	<b>942</b>	<b>747</b>
Interest income	17	14
Remeasurements (assets)	145	
Actuarial gain/(loss)		116
Employer contributions	53	47
Employee contributions	26	23
Benefits paid	(23)	(2)
Admin expenses	(3)	(3)
Plan introductions, benefit changes, curtailments and settlement	-	-
<b>At 31 August</b>	<b>1,157</b>	<b>942</b>

## Energy Coast UTC

### Notes to the Financial Statements

#### 26 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedure relating to connected and related party transactions.

The following related party transaction took place in the period of account.

- Morgan Sindall, Mr N Bailey & Mr P Musk are trustees and are employed by this company.

The trust received £50,000 (2020: £nil) from the company in sponsorship.

The trust received a donation of £nil (2020: £1,790) from the company.

- University of Cumbria, a member of Energy Coast UTC

The trust paid the University £840 for employee CPD. (2020: £nil)

The trust received £4,652 in kind, payment for internal audit. (2020: £5,988)

The University distributed funds to the UTC to support access into higher education £2,350 (2020: £4,600).

- Ms B Stephens OBE is a trustee

The trust received £120 in donations from this trustee. (2020: £120)

The trust paid £40.00 for a 2nd hand laptop from Hospice at Home West Cumbria, a charity who for Ms B Stephens is also a trustee.

- Sellafield Ltd, Dr D Connor (Vice Chair) is an employee of this company.

Provided a member of staff on secondment up until January 2021 to act as Employer Engagement Officer at no charge to the academy. The value of this donated service is in the region of £22k per annum; £9k from Sep 20 - Jan 21.

#### 27 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £16,691 (2020: £11,586) and disbursed £8,115 (2020: £11,586) from the fund. Due to the Coronavirus pandemic funds can be carried forward through to 2021/22 only; then repaid.