

ENERGY COAST UTC
ANNUAL REPORT AND FINANCIAL
STATEMENTS

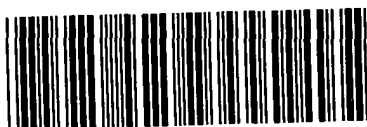
31 AUGUST 2014

(A company limited by guarantee)



ArmstrongWatson[®]
Accountants & Financial Advisers

FRIDAY



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19/12/2014
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ENERGY COAST UTC
(A company limited by guarantee)

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ENERGY COAST UTC
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees	Mr R B Rimmer Miss E Flowers Miss C M Richardson (resigned 17 March 2014) Mr M J Smith Mr N J Couzens Mr G Jones, Principal (appointed 13 September 2013) Dr D Connor (appointed 2 July 2014) Mr M J Tinnion (appointed 2 July 2014) Mr A Crowder, Chair (appointed 4 July 2014) Mr C D Nattress (appointed 13 September 2013)
Company registered number	07912940
Principal and registered office	Energy Coast UTC Blackwood Road Lillyhall Workington Cumbria CA14 4JW
Company secretary	Mr R B Rimmer
Business director	Mrs N Frazer
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants Statutory Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	National Westminster 31 Pow Street Workington Cumbria CA14 3AE
Solicitors	Burnetts 6 Victoria Place Carlisle Cumbria CA1 1ES

ENERGY COAST UTC
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Energy Coast UTC (the Academy) for the year ended 31 August 2014. The Governors confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

CONSTITUTION

The Academy is constituted under a Memorandum of Association dated 16 January 2012. The first period from 17 January 2012 to 31 August 2012 was dormant.

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

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:

University of Cumbria
Nuclear Decommissioning Authority
Lakes College West Cumbria
GEN II Engineering & Technology Training Ltd

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

Governors are to receive a training plan covering their legal responsibilities, equality and diversity, safeguarding, health and safety and teaching and learning.

ORGANISATIONAL STRUCTURE

The Governing Body agreed to establish two sub committees to become operational by 2014. These are for Finance, Resources and Premises; and Curriculum and Standards respectively. On the executive side, a 3-year plan is now operational that provides the HR structure to support the Principal with the aim that all teaching and support staff be appointed by Spring 2015. This will happen in a phased approach and will be dictated by the UTC's student recruitment levels.

ENERGY COAST UTC
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

RISK MANAGEMENT

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

OBJECTS AND AIMS

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

The development of the Energy Coast UTC is to provide a world-class education experience, 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 class-room based learning with practical skills, with a strong emphasis on Science, Technology, Engineering and Maths (STEM), sustainability, clean technologies and construction.

ACTIVITIES FOR ACHIEVING OBJECTIVES

Operations in terms of teaching and learning commenced in the academic year 2014/15 coinciding with the financial year.

The Energy Coast UTC will be developed in West Cumbria with the capacity for 560 students in the 14-19 year old age group. The new EC UTC facility delivers the core academic provision at both GCSE and A Level with students receiving vocational BTEC related training in the workshop facilities at Energen and Lakes College under agreement with these partner organisations.

PUBLIC BENEFIT

It is envisaged that the Energy Coast UTC will assist in meeting community need by offering work-ready young people with the necessary skills to meet the requirements of local employers.

The UTC is also looking to develop ways in which it can support local communities through its community service activities. These activities will form an important part of the College's Enrichment Programme.

Achievements and performance

GOING CONCERN

After making appropriate enquiries, the board of governors have a reasonable expectation that the Academy 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 accounting policies.

ENERGY COAST UTC
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

REVIEW OF ACTIVITIES

Approval by the Secretary of State to fund the Energy Coast UTC was achieved in July 2013 when the Funding Agreement was signed.

The Principal and Chief Executive was appointed in April and formally took up his position in September 2013.

Curriculum and policy development continued throughout the year with the support of partner organisations in Lakes College West Cumbria, University of Cumbria and GEN II Engineering Technology Training Ltd. Marketing for Energy Coast UTC commenced in January 2013 as part of a plan which would lead into the launch of Student recruitment in September through a series of open evenings and events.

Site selection and design development for the new build to house the Energy Coast UTC progressed through the year. The preferred site was selected in January adjacent to Energus at Lillyhall with provision for a new cycle and footpath to link the ECUTC to Lakes College West Cumbria. Following a rigorous procurement process using the DfE's contractor framework for the North of England, Eric Wright Construction were selected as preferred bidder.

The UTC is scheduled to become operational on the 1 September 2014 and will open with its published admissions number of 140 students, 80 in Yr 10 and 60 in Year 12. The UTC was oversubscribed in its first year and so waiting lists will be in operation from the start of the operational year. Curriculum delivery will commence on the 1 September 2014 with students undertaking the full suite of qualification available.

INVESTMENT POLICY AND PERFORMANCE

Investments will only be made with the prior approval of the Governing Body. The Finance Committee will be responsible for ensuring effective scrutiny of the treasury management strategies and policies.

FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The key factors in allowing the UTC to achieve its objectives are as follows:

- High standards of academic and vocational delivery.
- Recruitment of a self-selecting cohort of students who understand and aspire to achieve the UTC offer.
- Recruitment of high skilled and motivated teaching and support staff.
- The continued support of the UTC by employers and partners.

ENERGY COAST UTC
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Financial review

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Most of the UTC's income is to be obtained from the Department of Education in capital and recurrent grant the use of which is restricted to particular purpose. The grants for the year are shown in the Statement of Financial Activities.

Voluntary income of £6,278,135 was received during the year from the Education Funding Agency to fund the capital build of the Academy. This same amount is included in fixed assets for the building and its contents.

The DFE/EFA Project Development Grant during the year was £120,000.

Total expenditure of funds during the year was £253,503, this being restricted to project development activity and staff costs following the recruitment of the Principal and Vice Principal.

Net assets at the 31 August 2014, amounted to £6,280,181

RESERVES POLICY

Reserves will be held in accordance with the requirements laid down by the Department for Education.

Plans for future periods

FUTURE DEVELOPMENTS

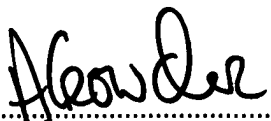
The Energy Coast UTC looks to ensure that it is fully recruited with 560 students by the academic year 2017-18 with a full complement of teaching and support staff. The UTC is also committed to ensuring exceptional levels of progression into education, employment or training for its departing cohorts. This will be achieved through not just the high standard of academic and vocational provision but through ensuring students have work ready skills and knowledge developed through their exposure to the UTCs employment led projects and range of enrichment activities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governors are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that governors have taken all the steps that ought to have been taken as a governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Board of Governors on 16/12/14 and signed on the board's behalf by:



.....
Mr A Crowder
Chair of Governors

ENERGY COAST UTC
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, 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

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The board of trustees has formally met 10 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr R B Rimmer	10	10
Miss E Flowers	9	10
Miss C M Richardson	6	7
Mr M J Smith	7	10
Mr N J Couzens	8	10
Mr G Jones, Principal	9	10
Dr D Connor	4	7
Mr M J Tinnion	5	7
Mr A Crowder, Chair	6	7
Mr C D Nattress	6	10

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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;

ENERGY COAST UTC
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GOVERNANCE STATEMENT (continued)

- regular reviews by the Finance & Premises Sub 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 has considered the need for a specific internal audit function and has decided to appoint Armstrong Watson Audit Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

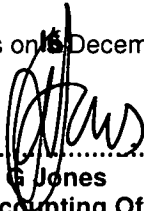
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Premises Sub 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 15 December 2014 and signed on its behalf, by:


.....
Mr A Crowder
Chair of Governors


.....
Mr G Jones
Accounting Officer

ENERGY COAST UTC
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Energy Coast UTC I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013).

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 EFA.


.....
Mr G Jones
Accounting Officer

Date: 16 Decembe 2014

ENERGY COAST UTC
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

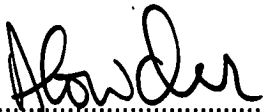
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the board of governors on and signed on its behalf by:



.....
Mr A Crowder, Chair of Governors

Date: 16 December 2014

ENERGY COAST UTC
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF ENERGY COAST UTC

We have audited the financial statements of Energy Coast UTC for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy 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.

The Governors have elected for the financial statements to be audited in accordance with the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

ENERGY COAST UTC
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF ENERGY COAST UTC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Jean Carroll (Senior statutory auditor)
for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

& Statutory Auditors

Carlisle

Date: 17th December 2014

ENERGY COAST UTC
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENERGY
COAST UTC AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 April 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Energy Coast UTC during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF ENERGY COAST UTC'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 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing of extra-contractual payments for staff have been made in accordance with the Handbook;
- reviewing any borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meetings of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining governors' declarations of interests.

ENERGY COAST UTC
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENERGY
COAST UTC AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jean Carroll
For and on behalf of

Armstrong Watson Audit Limited
Chartered Accountants
& Statutory Auditors
Carlisle

Date: 17th December 2014

ENERGY COAST UTC
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	6,278,135	6,278,135	-
Investment income	3	1,593	-	1,593	282
Incoming resources from charitable activities	4	-	120,000	120,000	230,000
TOTAL INCOMING RESOURCES	1,593	120,000	6,278,135	6,399,728	230,282
RESOURCES EXPENDED					
Charitable activities		249,513	-	249,513	87,908
Governance costs	8	-	3,990	3,990	8,418
TOTAL RESOURCES EXPENDED	5	-	253,503	253,503	96,326
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR		1,593	(133,503)	6,278,135	6,146,225
Total funds at 1 September 2013		282	133,674	-	133,956
TOTAL FUNDS AT 31 AUGUST 2014		1,875	171	6,278,135	6,280,181

All activities relate to continuing operations.

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

The notes on pages 17 to 25 form part of these financial statements.

ENERGY COAST UTC
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REGISTERED NUMBER: 07912940

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	13		6,278,135		-
CURRENT ASSETS					
Debtors	14	1,399,794		7,732	
Cash at bank		170,737		141,012	
		<u>1,570,531</u>		<u>148,744</u>	
CREDITORS: amounts falling due within one year	15	<u>(1,568,485)</u>		<u>(14,788)</u>	
NET CURRENT ASSETS			<u>2,046</u>		<u>133,956</u>
NET ASSETS			<u><u>6,280,181</u></u>		<u><u>133,956</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	171		133,674	
Restricted fixed asset funds	16	<u>6,278,135</u>		<u>-</u>	
Total restricted funds			<u>6,278,306</u>		<u>133,674</u>
Unrestricted funds	16		<u>1,875</u>		<u>282</u>
TOTAL FUNDS			<u><u>6,280,181</u></u>		<u><u>133,956</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 16 DECEMBER 2014 and are signed on their behalf, by

.....

Mr A Crowder
Chair of Governors

.....

Mr G Jones
Principal / Accounting officer

The notes on pages 17 to 25 form part of these financial statements.

ENERGY COAST UTC
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	18	28,132	140,730
Returns on investments and servicing of finance	19	1,593	282
INCREASE IN CASH IN THE YEAR		29,725	141,012

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
Increase in cash in the year	29,725	141,012
MOVEMENT IN NET FUNDS IN THE YEAR	29,725	141,012
Net funds at 1 September 2013	141,012	-
NET FUNDS AT 31 AUGUST 2014	170,737	141,012

The notes on pages 17 to 25 form part of these financial statements.

ENERGY COAST UTC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

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

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

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

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

1.4 Resources expended

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	30 years straight line
Plant and machinery	-	15 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

1.7 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Donations	-	6,278,135	6,278,135	-

On 26 August 2014 the Department for Education transferred the building and contents to the University Technical College as a donation.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Bank interest received	1,593	-	1,593	282

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Educational operations	-	120,000	120,000	230,000

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
EFA/DfE Project development grant	-	120,000	120,000	180,000
Other start up grants	-	-	-	50,000
	-	120,000	120,000	230,000

5. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Expenditure Other costs 2014 £	Total 2014 £	<i>Total 2013 £</i>
Educational operations	125,183	37,834	163,017	35,615
Support costs - Educational operations	-	86,496	86,496	52,293
Charitable activities	125,183	124,330	249,513	87,908
Governance	-	3,990	3,990	8,418
	125,183	128,320	253,503	96,326

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6. DIRECT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Educational services	-	-	1,995
Staff recruitment	29,927	29,927	23,620
Licences	-	-	10,000
Staff training and development	4,146	4,146	-
Other direct costs	2,560	2,560	-
Educational consultancy	52	52	-
Catering facilities	1,149	1,149	-
Wages and salaries	100,314	100,314	-
National insurance	10,725	10,725	-
Pension costs	14,144	14,144	-
	<u>163,017</u>	<u>163,017</u>	<u>35,615</u>

7. SUPPORT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Project management	-	-	9,421
Advertising and marketing	19,859	19,859	25,181
Staff recruitment	5,041	5,041	-
Consultation	53,195	53,195	17,487
Bank charges	284	284	154
Insurance	2,026	2,026	50
Maintenance of premises and equipment	1,281	1,281	-
Travel and subsistence	3,159	3,159	-
Other support costs	1,651	1,651	-
	<u>86,496</u>	<u>86,496</u>	<u>52,293</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Accountancy fees	-	750	750	750
Auditors' remuneration	-	2,250	2,250	2,000
Legal & professional fees	-	990	990	5,668
	<u>-</u>	<u>3,990</u>	<u>3,990</u>	<u>8,418</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014	2013
	£	£
Auditors' remuneration	2,250	2,000
	<u>2,250</u>	<u>2,000</u>

10. STAFF

Staff costs

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	100,314	-
Social security costs	10,725	-
Other pension costs	14,144	-
	<u>125,183</u>	<u>-</u>

Staff numbers

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

	2014	2013
	No.	No.
Teachers	2	0
	<u>2</u>	<u>0</u>

Higher paid staff

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

	2014	2013
	No.	No.
In the band £70,001 - £80,000	1	0
	<u>1</u>	<u>0</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions amounted to £11,280 (2013 - £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2014 £'000	2013 £'000
G Jones (Principal)	75-80	0

During the year ended 31 August 2014, travel and subsistence expenses totalling £1,242 (2013 - £Nil) were reimbursed to 1 trustee.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,675 (2013 - £Nil). The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
Assets transferred by EFA	4,926,490	174,849	618,702	558,094	6,278,135
At 31 August 2014	4,926,490	174,849	618,702	558,094	6,278,135
Depreciation					
At 1 September 2013 and 31 August 2014	-	-	-	-	-
Net book value					
At 31 August 2014	4,926,490	174,849	618,702	558,094	6,278,135

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**NOTES TO THE FINANCIAL STATEMENTS
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14. DEBTORS

	2014 £	2013 £
Trade debtors	2,662	-
Other debtors	729,913	7,732
Prepayments and accrued income	667,219	-
	1,399,794	7,732

**15. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Other creditors	736,198	-
Accruals and deferred income	832,287	14,788
	1,568,485	14,788

Deferred income		£
Resources deferred during the year		240,403

At the balance sheet date the academy was holding funds received in advance for pupils in the 2014/15 academic year and for building work to be carried out in 2014/15.

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Unrestricted funds				
Other General funds	282	1,593	-	1,875
Restricted funds				
Project development and start up grants	133,674	120,000	(253,503)	171
Restricted fixed asset funds				
Assets transferred from EFA	-	6,278,135	-	6,278,135
Total restricted funds	133,674	6,398,135	(253,503)	6,278,306
Total of funds	133,956	6,399,728	(253,503)	6,280,181

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

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

To establish the infrastructure, policies, procedures and curriculum in advance of the Academy opening in September 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	282	1,593	-	1,875
Restricted funds	133,674	120,000	(253,503)	171
Restricted fixed asset funds	-	6,278,135	-	6,278,135
	<u>133,956</u>	<u>6,399,728</u>	<u>(253,503)</u>	<u>6,280,181</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	6,278,135	6,278,135	-
Current assets	868,846	701,686	-	1,570,532	148,744
Creditors due within one year	(866,971)	(701,515)	-	(1,568,486)	(14,788)
	<u>1,875</u>	<u>171</u>	<u>6,278,135</u>	<u>6,280,181</u>	<u>133,956</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	6,146,225	133,956
Returns on investments and servicing of finance	(1,593)	(282)
Transfer of assets on conversion	(6,278,135)	-
Increase in debtors	(1,392,062)	(7,732)
Increase in creditors	1,553,697	14,788
Net cash inflow from operations	<u>28,132</u>	<u>140,730</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	1,593	282
	1,593	282

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	141,012	29,725	-	170,737
Net funds	141,012	29,725	-	170,737

21. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	246,732	-
	246,732	-

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period:

During the period the Academy purchased consultancy and marketing services from GEN II Engineering & Technology Training Ltd, a member of Energy Coast UTC, amounting to £38,900 (2013 - £3,000). There were no amounts outstanding at the year end date (2013 - £3,000).

During the period the Academy purchased marketing and catering services and were recharged salary costs from Lakes College West Cumbria, a member of Energy Coast UTC, totalling £100,436 (2013 - £6,039). At 31 August 2014, the amount owed to Lakes College West Cumbria was £49,195 (2013 - £Nil).

During the period the Academy purchased hospitality services from ENERGUS, a company of which Mr N Couzens, governor, is a director, totalling £4,195 (2013 - £Nil). At 31 August 2014, the amount owed to ENERGUS was £20 (2013 - £Nil).

In entering into the above transactions the academy has complied with the requirements of the EFA's Academies Financial Handbook.