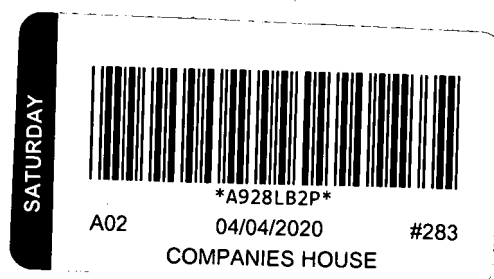


**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2019**



**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Reference and Administrative Details**

<b>Members</b>	A A Osborne R M Lindsay R Boyjoonauth (resigned 15 July 2019) L E Coppin (appointed 15 July 2019)
<b>Trustees</b>	R M Lindsay, Chair (resigned 16 September 2019) <sup>1</sup> N A Shorthouse, Chair <sup>1</sup> R Boyjoonauth <sup>1</sup> L E Coppin (resigned 7 July 2019) L Cornwell (resigned 15 May 2019) C Hallatt (resigned 15 July 2019) <sup>1</sup> M Kunwor <sup>1</sup> S J Lamb (resigned 15 July 2019) <sup>1</sup> A Link <sup>1</sup> R Pike, Chair (from 16 September 2019) (appointed 14 January 2019) <sup>1</sup> M U Rebaire (appointed 16 September 2019) <sup>1</sup> T Reeves (appointed 15 July 2019) J E C Slade (appointed 16 September 2019) <sup>1</sup> J E Welsh (appointed 15 May 2019) <sup>1</sup>  <sup>1</sup> members of the Finance and Strategic Planning Committee
<b>Company registered number</b>	08095169
<b>Company name</b>	Peninsula Gateway Academy Trust
<b>Principal and registered office</b>	Chattenden Primary School Chattenden Lane Chattenden Rochester Kent ME3 8LF
<b>Company secretary</b>	Diane Martin
<b>Senior management team</b>	Rishi Boyjoonauth, Principal Michelle Kunwor, Vice Principal Vicky Diddams, Mathematics Co-ordinator Iris Homer, Assistant Principal Carol Laker, SENCo Diane Martin, School Business Manager
<b>Independent auditors</b>	Williams Giles Professional Services Ltd Chartered Accountants Sittingbourne Kent ME10 5BH

**PENINSULA GATEWAY ACADEMY TRUST**

**(A company limited by guarantee)**

**Reference and Administrative Details (continued)**

**For the Year Ended 31 August 2019**

**Bankers**

Barclays Bank  
263-265 High Street  
Chatham  
Kent  
ME4 4BZ

Lloyds Bank PLC  
129-131 High Street  
Strood  
Rochester  
Kent  
ME2 4TW

**Solicitors**

Brachers LLP  
Somerfield House  
59 London Road  
Maidstone  
Kent  
ME16 8JH

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2019**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year/period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Chattenden, Rochester. It has a pupil capacity of 210 and had a roll of 209 in the school census on 17th January 2019.

**Structure, governance and management**

**a. Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Peninsula Gateway Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Peninsula Gateway Academy Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

**b. 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.

**c. Trustees' indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £4,140.

The Academy Trust has opted into the Department of 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, error 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.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Structure, governance and management (continued)**

**d. Method of recruitment and appointment or election of Trustees**

1. TEN trustees. Such appointments are usually made following consultation by the Members with the Trustees of Chattenden Primary School.
2. Parent Trustees – The Articles of Association require that there shall be minimum of TWO Parent Trustees. Parent or Carers of registered pupils at the School are eligible to stand as individuals for election as a Parent Trustee. They are elected by other parents at the school as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent/Carer Trustee elections. If insufficient parents stand for election the Governing Body must appoint Parent/Carer Trustees to bring their number up to that required by the Articles of Association. Such appointed Parent/Carer Trustees would preferably be parents or carers of registered pupils at the School. If, however, no such parent is willing to undertake the role then the Governing Body can appoint any person who is the parent of a child of compulsory school age.
3. Staff Trustees – A minimum of TWO staff Governors are elected by the School staff as individuals, representative of the staff at the school. Both Teaching and Support Staff paid to work at the School are eligible to be appointed as Trustees but if no member of the Support Staff stands for election then a Teacher can be elected to take that place.

The Principal shall be treated for all purposes as being an ex officio Trustee

Staff Trustees should not exceed one third of the total number of Trustees.

Suitable procedures have been put in place for the conduct of Staff Trustee elections.

4. Co-opted Trustees – Up to THREE Co-opted Trustees can be appointed by the Governing Body if they have experience and/or expertise of particular benefit to the school. Following an identification of specific needs, suitable candidates are identified by the Governing Body and approached accordingly.

A 'Co-Opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

The Trustees may not co-opt an employee of the Company as a Co-opted Trustee if thereby the number of Trustees who are employees of the Company would exceed one third of the total number of Trustees including the Principal.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Principal as ex officio Trustee. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

Following their appointment/election, all new Trustees receive an introduction to their role from the Principal and the Chair of Trustees.

The Trustees of the Peninsula Gateway Academy Trust are committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively. Peninsula Gateway Academy Trust maintains a Service Level Agreement with Governance Connected which allows for any member of the Governing Body to attend any of the training courses provided by the Governance Connected.

All new Trustees are actively encouraged to take advantage of the Governance Connected training so as to gain a better understanding of the role and responsibilities of being a Trustee. Additionally, Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training.

**f. Organisational structure**

At Peninsula Gateway Academy Trust the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees. The Full Governing Body has retained responsibility for the strategic management of the School; deciding and setting key aspects of the School, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the Principal and staff. Members of the Management Team, including the Principal, attend Governors' meetings.

School policies are developed by senior members of the School's staff to reflect both the strategic direction agreed by the Trustees and also statutory requirements. These policies are approved and adopted by the Governing Body and implemented as procedures and systems by the management team and other designated members of staff.

**g. Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration grades for key management personnel are set in accordance with the leadership scale of the school and the main pay scale ranges as per the national framework for teachers in accordance with the job description and guidance from the Academy's HR provider.

Performance management will determine the ongoing level of remuneration. Performance management for teachers takes place by the end of October in each academic year which will be followed by a mid-year review in February. These would be taken to the Pay Committee for authorisation and the Trustees will then determine any adjustment to the pay and remuneration.

**h. Trade union facility time**

Employees are encouraged to be members of a Trade Union who are in turn represented by their Local Authority representative. During the year, the Academy incurred no facility time in respect of employees carrying out duties as Trade Union representatives.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Structure, governance and management (continued)**

**i. Related Parties and other Connected Charities and Organisations**

There are no related parties which either control or significantly influence the decisions and operations of Peninsula Gateway Academy Trust. There are no sponsors, but a formal Parents' Association supports the school through fundraising.

The services of A Osborne Electrical Ltd are sometimes employed to conduct electrical maintenance work within the Academy. This company was a related party due to Anthony Osborne being a Member of Peninsula Gateway Academy Trust and was the owner of A Osborne Electrical Ltd, now retired.

**Objectives and activities**

**a. Objects and aims**

The principal objects and aims of the charitable company (Peninsula Gateway Academy Trust) is the operation of Chattenden Primary School to provide high quality, free education for pupils between the ages of 4 and 11.

**b. Objectives, strategies and activities**

The school believes that all pupils have various skills and talents that need encouragement to develop within an efficient working environment which secures effective teaching and learning. The school values the pupils' wellbeing, as well as their achievement in their social, moral, spiritual, cultural, mental and physical development.

Therefore, Chattenden Primary School aims to encourage pupils to:

- Become efficient, independent learners, well equipped for lifelong learning
- Derive enjoyment from their learning which should extend their intellectual capacity, develop their interest and stimulate their curiosity
- Embrace the many opportunities afforded by developments in information and communication technologies, whilst fully accepting the responsibilities that go with using them properly
- Engage in a broad programme of experiences which enable them to appreciate their cultural inheritance and to understand more about themselves and the world in which they live
- Develop the capacities to make informed, rational and responsible decisions and to work in ways which enhance their self-respect and sensitivity to the needs of others, particularly those less advantaged than themselves
- Show respect for each other and all people working in the school, and to appreciate the diverse talents that contribute to our school community
- Play a full part in creating a caring, supportive school environment
- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens
- Display self-discipline and proper regard for authority
- Foster good behaviour and avoid all forms of bullying



**PENINSULA GATEWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Objectives and activities (continued)**

**c. Public benefit**

The Directors of Peninsula Gateway Academy Trust have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Peninsula Gateway Academy Trust is the maintenance and development of the high quality education provided by the School, to the young people of Chattenden and the surrounding areas.

In doing this, Chattenden Primary School not only offers a broad based academic education but aims to educate the whole individual. A very wide range of extra-curricular activities, educational trips and visits are offered and undertaken.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

In the academic year 2018-2019 Chattenden Primary School achieved results broadly in line with national results in all areas at Key Stage 1.

At Key Stage 2 pupils achieved results higher than the national in all areas. Due to the greater focus on the mastery curriculum the number of pupils obtaining greater depth also rose in all areas. The number of pupils passing the Year 1 phonics screen was marginally below the national benchmark (this equated to one pupil).

The number of pupils obtaining good levels of development at the end of Early Years Foundation Stage was broadly in line with national benchmarks.

End of Key Stage 1 Attainment (Those children reaching the Expected Standard).

**b. Going concern**

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.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**c. Financial Review**

On conversion on 1 July 2012 all of the fixed assets of the former school were transferred to the new Academy Trust and were shown as restricted asset funds. The balance sheet restricted asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the Department for Education and other income, such as voluntary income.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus which is the result of detailed and tight budgeting and budget control procedures, which have been firmly embedded in the Academy Trust's daily financial management.

Unrestricted funds total £340,986 (2018: £302,177). Restricted funds total £1,150,527 (2018: £1,348,342).

Most of the school's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted to particular purposes: i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

**Financial review**

**a. Reserves policy**

Academy Trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example, for long term capital projects.

The trustee's Finance & Strategic Planning Committee review these reserve levels and believes that they should provide sufficient working capital to cover the delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of approximately 10% of GAG as an appropriate cushion. As at 31 August 2019 the School had GAG reserves of £7,158 (2018: £nil) and £340,986 (2018: £302,177) of unrestricted funds.

At 31 August 2019 the total funds comprised:

			2018
Unrestricted:		£340,986	£302,177
Restricted:	GAG	£7,158	-
	Fixed asset funds	£1,650,369	£1,693,342
	Pension reserve	<u>£(507,000)</u>	<u>£(345,000)</u>
	Total	£1,491,513	£1,650,519

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

**b. Investment policy**

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation.

In addition, the trust aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of the cash funds.

**c. Principal risks and uncertainties**

The principal risks or uncertainties faced by Chattenden Primary School are Financial, Health and Safety, Unexpected Loss or Damage and Safeguarding.

The management of the financial risks is as follows:

- The financial risk of the misappropriation of funds (fraud) is managed through meeting accepted financial standards that include a programme of internal audit work carried out by Williams Giles Ltd within the school and External Audit.
- The financial risk of failing to be a going concern is met through due diligence of the Accounting Officer (Principal) and the School Business Manager, together with the scrutiny of the Trustees through the Budget Monitoring and the Finance and Strategic Management Committee meetings.

Peninsula Gateway Academy Trust does have a defined benefit Local Government Pension Scheme deficit of £507,000.

**Fundraising**

Fundraising for Peninsula Gateway Academy Trust is supported through the activities of the PTA. In addition, the school organises its own fundraising events such as an annual secret auction.

**Plans for future periods**

Chattenden Primary School will continue to work to maintain the performance of its pupil at all levels. Additionally, it will continue its efforts to improve the achievements of its pupils, not only in academic subjects but also in extra-curricular activities and in essential life skills, so as to increase the number of opportunities open to its students when they move on to secondary education.

The strategic direction for the school is contained within the Academy Improvement Plan.

The Academy is looking at how to expand the MAT.

**Funds held as custodian on behalf of others**

During the period from 1 September 2018 to 31 August 2019 Peninsula Gateway Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

**Auditors**

The auditors, Williams Giles Professional Services Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 3 December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'N A Shorthouse', written over a horizontal line.

**N A Shorthouse**

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Governance Statement**

**Scope of responsibility**

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

The board of 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 Peninsula Gateway Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R M Lindsay, Chair (resigned 16.9.19)	5	5
N A Shorthouse, Chair	2	3
R Boyjoonauth	5	5
L E Coppin	4	4
L Cornwell	1	1
C Hallatt	4	5
M Kunwor	5	5
A Link	4	5
R Pike, Chair (from 16 September 2019)	3	4
T Reeves	5	5
J E C Slade	5	5
J E Welsh	1	1

**Governance reviews:**

During the year 2018-2019, Ofsted carried out a Section 5 inspection of Chattenden Primary School. As a result of this they also looked into the governance arrangements for Peninsula Gateway Academy Trust. They noted that trustees understood their responsibilities and that they demonstrated a very genuine and deep-seated commitment to the pupils. However, they commented that the governance structure weakened accountability due to trustees holding many roles both within the school and on the board, as well as being Members of the trust. As a result of this a restructure has taken place of Members and Trustees. Consequently, Members no longer hold multiple positions.

The newly formed trustee board will be carrying out an external review of governance in autumn 2019.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Governance (continued)**

The Finance and Strategic Planning Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor the budget on a regular monthly basis and to hold a full financial meeting three times a year to monitor performance of whole school and strategic finance and to advise the Governing Body so that it can discharge its statutory duties.

During the year N Shorthouse joined the committee. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Boyjoonauth	3	3
R Lindsay	3	3
M Kunwor	1	3
C Hallatt	1	3
J Slade	2	3
N Shorthouse	2	2
J Welsh	1	1

The Budget Monitoring Committee is also a sub-committee of the main board of trustees. Its purpose is to monitor the budget on a monthly basis (during the months when there is no Finance and Strategic Planning Committee meetings).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Boyjoonauth	5	5
R Lindsay	4	5
J Slade	2	5
N Shorthouse	2	3

**PENINSULA GATEWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

**Review of value for money**

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

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

- **Improving Educational Results:**  
Our resources are directed where they will be most effective in meeting education requirements, for example:
  - Robust tracking systems to record and monitor all aspects of pupil data including progress.
  - Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development.
  - A robust cycle of lesson observations and work scrutinies to ensure a high quality education.
  - Funding is allocated to optimal effect, for example, providing targeted support and interventions for pupils such as small group tuition, individual pupil support, after school clubs and additional curricular activities.
  - Working collaboratively with other schools, sharing good practice to improve CPD and improve standards.
  - Implement strategies to improve attendance and end of key stage results.
  - Provide increased pastoral and speech and language support for identified children.
- **Reviewing purchasing:**
  - Spending proposals for amounts in excess of £5,000 are priced and presented to governors, challenged appropriately and recorded in the minutes.
  - Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the academy and tenders/quotations are obtained where appropriate to ensure value for money.
  - Continue to work with forum groups and other education providers to improve sharing of good practice and joint procurement of services.
  - Constant comparisons of items purchased to ensure value for money.
- **Focused examples:**
  - The catering contract was reviewed in depth and a tendering process took place which including governors. As a result, the company which offered better value for money and greater scope for partnership with various stakeholders was appointed.
  - A greater emphasis was placed on curriculum based trips in various year groups including new school excursions to the Tower of London, Upnor Castle, Kent Police and Folkestone.
  - As part of the ongoing refurbishment programme the Reception class was enhanced to include fully operational bi-fold doors and a viewing hatch was constructed to enable better sight lines within the classroom, improving the overall teaching and learning experience.

**PENINSULA GATEWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Peninsula Gateway Academy Trust for the year 1st September 2018 to 31 August 2019 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 1st September 2018 to 31 August 2019 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
- regular reviews by the Finance and Strategic Planning 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 Williams Giles Professional Services Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of payroll systems and recruitment
- Testing of purchase systems
- Testing of control account
- Banking and bank reconciliations
- Income
- Governance and procedures
- Voluntary Fund
- VAT
- Budget monitoring and management of accounts
- Contracts and procurement

On an annual basis, the auditor reports to the board of Trustees through the Finance and Strategic Planning Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the auditors' work.



**PENINSULA GATEWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

**The risk and control framework (continued)**

**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 and Strategic Planning Committee and a plan to ensure continuous improvement of the systems in place of the system is in place.

Approved by order of the members of the board of Trustees on 3 December 2019 and signed on their behalf by:

A stylized, cursive signature in black ink, enclosed within a hand-drawn oval.

**N A Shorthouse**  
Chair of Trustees

A stylized, cursive signature in black ink.

**R Boyjoonauth**  
Accounting Officer

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of Peninsula Gateway Academy Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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.

**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 & 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 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

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



**R Boyjoonauth**  
Accounting Officer  
Date: 3 December 2019

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2019**

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 & 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 of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 3 December 2019 and signed on its behalf by:



**N A Shorthouse**  
Chair of Trustees

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Peninsula Gateway Academy Trust**

**Opinion**

We have audited the financial statements of Peninsula Gateway Academy Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Peninsula Gateway Academy Trust (continued)**

**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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Peninsula Gateway Academy Trust (continued)**

**Responsibilities of trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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 Auditors' report.

**Use of our report**

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 opinions we have formed.



**Alastair Crawford FCA (Senior statutory auditor)**

for and on behalf of  
**Williams Giles Professional Services Ltd**

Chartered Accountants  
Statutory Auditors

Sittingbourne

Kent

ME10 5BH

9 December 2019

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Peninsula Gateway Academy Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 1 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peninsula Gateway Academy Trust during the year 1 September 2018 to 31 August 2019 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 Peninsula Gateway Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Peninsula Gateway Academy Trust 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 Peninsula Gateway Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Peninsula Gateway Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Peninsula Gateway Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Alastair Crawford FCA**

**Williams Giles Professional Services Ltd**

Date: 9 December 2019



**PENINSULA GATEWAY ACADEMY TRUST**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	3,190	-	16,015	19,205	11,944
Charitable activities		-	964,696	-	964,696	967,592
Other trading activities		56,229	-	-	56,229	52,154
Investments	6	870	-	-	870	747
<b>Total income</b>		<b>60,289</b>	<b>964,696</b>	<b>16,015</b>	<b>1,041,000</b>	<b>1,032,437</b>
<b>Expenditure on:</b>						
Raising funds		21,480	-	-	21,480	18,791
Charitable activities		-	1,014,538	58,988	1,073,526	1,127,465
<b>Total expenditure</b>		<b>21,480</b>	<b>1,014,538</b>	<b>58,988</b>	<b>1,095,006</b>	<b>1,146,256</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>38,809</b>	<b>(49,842)</b>	<b>(42,973)</b>	<b>(54,006)</b>	<b>(113,819)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(105,000)	-	(105,000)	104,000
<b>Net movement in funds</b>		<b>38,809</b>	<b>(154,842)</b>	<b>(42,973)</b>	<b>(159,006)</b>	<b>(9,819)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		302,177	(345,000)	1,693,342	1,650,519	1,660,338
Net movement in funds		38,809	(154,842)	(42,973)	(159,006)	(9,819)
<b>Total funds carried forward</b>		<b>340,986</b>	<b>(499,842)</b>	<b>1,650,369</b>	<b>1,491,513</b>	<b>1,650,519</b>

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

The notes on pages 27 to 49 form part of these financial statements.

**PENINSULA GATEWAY ACADEMY TRUST**

(A company limited by guarantee)

Registered number: 08095169

**Balance Sheet  
As at 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Fixed assets</b>			
Tangible assets	13	<b>1,638,314</b>	<b>1,693,342</b>
		<b>1,638,314</b>	<b>1,693,342</b>
<b>Current assets</b>			
Stocks	14	<b>2,140</b>	<b>593</b>
Debtors	15	<b>37,610</b>	<b>36,928</b>
Cash at bank and in hand		<b>379,120</b>	<b>325,518</b>
		<b>418,870</b>	<b>363,039</b>
Creditors: amounts falling due within one year	16	<b>(58,671)</b>	<b>(60,862)</b>
<b>Net current assets</b>		<b>360,199</b>	<b>302,177</b>
<b>Total assets less current liabilities</b>		<b>1,998,513</b>	<b>1,995,519</b>
<b>Net assets excluding pension liability</b>		<b>1,998,513</b>	<b>1,995,519</b>
Defined benefit pension scheme liability	22	<b>(507,000)</b>	<b>(345,000)</b>
<b>Total net assets</b>		<b>1,491,513</b>	<b>1,650,519</b>

**PENINSULA GATEWAY ACADEMY TRUST**  
(A company limited by guarantee)

**Balance Sheet (continued)**  
**As at 31 August 2019**

	Note	2019 £	2018 £
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	1,650,369	1,693,342
Restricted income funds	17	7,158	-
		<hr/>	<hr/>
Restricted funds excluding pension asset	17	1,657,527	1,693,342
Pension reserve	17	(507,000)	(345,000)
		<hr/>	<hr/>
<b>Total restricted funds</b>	17	1,150,527	1,348,342
<b>Unrestricted income funds</b>	17	340,986	302,177
		<hr/>	<hr/>
<b>Total funds</b>		<b>1,491,513</b>	<b>1,650,519</b>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue on 03 December 2019 and are signed on their behalf, by:



**N Shorthouse**

The notes on pages 27 to 49 form part of these financial statements.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 August 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	40,677	(17,411)
<b>Cash flows from investing activities</b>	20	12,925	(13,190)
<b>Change in cash and cash equivalents in the year</b>		53,602	(30,601)
Cash and cash equivalents at the beginning of the year		325,518	356,119
<b>Cash and cash equivalents at the end of the year</b>	21	<u>379,120</u>	<u>325,518</u>

The notes on pages 27 to 49 form part of these financial statements

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies**

Peninsula Gateway Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Chattenden Primary School, Chattenden Lane, Chattenden, Rochester, Kent. ME3 8LF. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Peninsula Gateway Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is rounded to the nearest pound.

**1.2 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 Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy 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 year is deducted from income and recognised as a liability.

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

- **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 year it is receivable and to the extent the Academy has provided the goods or services.

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Tangible fixed assets**

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

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

The valuation for leasehold property is taken from the Mouchel desktop valuation completed for the ESFA. The basis for the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land has been included.

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%
Fixtures and fittings	-	10%
Computer equipment	-	20%

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.

**1.7 Stocks**

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

**1.8 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.

**1.9 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.

**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.10 Liabilities**

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

**1.11 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Operating leases**

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



**PENINSULA GATEWAY ACADEMY TRUST**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.13 Pensions**

Retirement benefits to employees of the Academy 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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 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 Trustees.

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

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

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

**PENINSULA GATEWAY ACADEMY TRUST**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
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**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment policy and 1.6 for the useful economic lives for each class of asset.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 23 for further details.

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	3,190	-	3,190
Capital Grants	-	16,015	16,015
<b>Total 2019</b>	<b>3,190</b>	<b>16,015</b>	<b>19,205</b>

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**3. Income from donations and capital grants (continued)**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	5,593	-	5,593
Capital Grants	-	6,351	6,351
	<u>5,593</u>	<u>6,351</u>	<u>11,944</u>

**4. Funding for the Academy's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	830,289	<b>830,289</b>	841,065
Pupil Premium	53,605	<b>53,605</b>	58,534
Other DfE/ESFA grants	29,311	<b>29,311</b>	22,538
Universal Infant Free School Meals	30,393	<b>30,393</b>	31,464
	<u>943,598</u>	<u><b>943,598</b></u>	<u>953,601</u>
<b>Other Government grants</b>			
Local Government grants	21,098	<b>21,098</b>	13,991
	<u>21,098</u>	<u><b>21,098</b></u>	<u>13,991</u>
<b>Total 2019</b>	<u><u>964,696</u></u>	<u><u><b>964,696</b></u></u>	<u><u>967,592</u></u>

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
School trips	21,047	<b>21,047</b>	18,460
Uniform sales	3,423	<b>3,423</b>	553
After school clubs	11,664	<b>11,664</b>	13,765
Other income	20,095	<b>20,095</b>	19,376
<b>Total 2019</b>	<u>56,229</u>	<u><b>56,229</b></u>	<u>52,154</u>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank interest receivable	870	<b>870</b>	747

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Expenditure on fundraising trading activities:				
Fundraising expenses	-	-	21,480	<b>21,480</b>
Educational operations:				
Direct costs	597,198	-	52,686	<b>649,884</b>
Allocated support costs	192,653	75,548	155,441	<b>423,642</b>
<b>Total 2019</b>	<u>789,851</u>	<u>75,548</u>	<u>229,607</u>	<u><b>1,095,006</b></u>

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	<i>Staff Costs</i> 2018 £	<i>Premises</i> 2018 £	<i>Other</i> 2018 £	<i>Total</i> 2018 £
Educational operations:				
Direct costs	657,600	-	65,714	723,314
Allocated support costs	180,074	104,954	119,123	404,151

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
Educational operations	649,884	423,642	1,073,526

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	723,314	404,151	1,127,465

**Analysis of direct costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	597,198	597,198	657,600
Educational supplies	47,953	47,953	58,711
Other direct costs	4,733	4,733	7,003
	649,884	649,884	723,314

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
LGPS cost	9,000	<b>9,000</b>	9,000
Staff costs	206,653	<b>206,653</b>	171,074
Depreciation	58,988	<b>58,988</b>	58,924
Technology costs	26,606	<b>26,606</b>	22,772
Premises costs	38,967	<b>38,967</b>	46,404
Other direct costs	63,740	<b>63,740</b>	80,132
Governance costs	19,688	<b>19,688</b>	15,845
	<u>423,642</u>	<u><b>423,642</b></u>	<u>404,151</u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Depreciation of tangible fixed assets	<b>58,988</b>	58,924
Fees paid to auditors for:		
- audit	<b>6,100</b>	6,100
- other services	<b>6,720</b>	4,475
	<u><b>6,720</b></u>	<u>4,475</u>

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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	613,407	632,871
Social security costs	47,106	51,617
Pension costs	143,338	144,186
	<u>803,851</u>	<u>828,674</u>
Agency staff costs	14,928	15,854
Defined benefit pension scheme finance cost	9,000	9,000
	<u>827,779</u>	<u>853,528</u>

**b. Staff numbers**

The average number of persons employed by the Academy during the year was as follows:

	2019 No.	2018 No.
Teaching	7	9
Support and admin	18	20
Management	6	2
	<u>31</u>	<u>31</u>

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**10. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>-</b>

**d. Key management personnel**

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as list on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for services to the Academy Trust was £323,659 (2018: £180,251)

**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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:

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
R Boyjoonauth	Remuneration	<b>60,000 - 65,000</b>	<b>55,000 - 60,000</b>
	Pension contributions paid	<b>10,000 - 15,000</b>	<b>5,000 - 10,000</b>
M Kunwor	Remuneration	<b>45,000 - 50,000</b>	<b>40,000 - 45,000</b>
	Pension contributions paid	<b>5,000 - 10,000</b>	<b>5,000 - 10,000</b>
A Link	Remuneration	<b>5,000 - 10,000</b>	<b>5,000 - 10,000</b>
	Pension contributions paid	<b>0 - 5,000</b>	<b>0 - 5,000</b>

During the year ended 31 August 2019, expenses totalling £264 were reimbursed or paid directly to 4 Trustees (2018 - £107 to 2 Trustees). The expenses reimbursed relate to academy expenditure paid for by the Trustees.

**12. Trustees' and Officers' insurance**

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



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**13. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	1,825,835	171,729	70,157	2,067,721
Additions	3,225	-	735	3,960
At 31 August 2019	<u>1,829,060</u>	<u>171,729</u>	<u>70,892</u>	<u>2,071,681</u>
<b>Depreciation</b>				
At 1 September 2018	220,422	95,064	58,893	374,379
Charge for the year	36,581	17,173	5,234	58,988
At 31 August 2019	<u>257,003</u>	<u>112,237</u>	<u>64,127</u>	<u>433,367</u>
<b>Net book value</b>				
At 31 August 2019	<u>1,572,057</u>	<u>59,492</u>	<u>6,765</u>	<u>1,638,314</u>
At 31 August 2018	<u>1,605,413</u>	<u>76,665</u>	<u>11,264</u>	<u>1,693,342</u>

**14. Stocks**

	2019 £	2018 £
Uniform stock	<u>2,140</u>	<u>593</u>

**15. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
VAT debtor	4,882	10,151
Prepayments and accrued income	32,728	26,777
	<u>37,610</u>	<u>36,928</u>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>8,373</b>	<b>5,733</b>
Other taxation and social security	<b>12,543</b>	<b>12,709</b>
Other creditors	<b>11,565</b>	<b>11,376</b>
Accruals and deferred income	<b>26,190</b>	<b>31,044</b>
	<b>58,671</b>	<b>60,862</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2018	<b>19,604</b>	<b>20,492</b>
Resources deferred during the year	<b>17,808</b>	<b>19,604</b>
Amounts released from previous periods	<b>(19,604)</b>	<b>(20,492)</b>
	<b>17,808</b>	<b>19,604</b>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2019-20 academic year in respect of Universal infant free school meals and school trip income.

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**17. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General	302,177	60,289	(21,480)	-	-	340,986
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	830,289	(823,131)	-	-	7,158
Pupil Premium	-	53,605	(53,605)	-	-	-
Other DfE/ESFA grants	-	29,311	(29,311)	-	-	-
Universal Infant Free School Meals	-	30,393	(30,393)	-	-	-
Other Government Grants	-	21,098	(21,098)	-	-	-
Pension reserve	(345,000)	-	(57,000)	-	(105,000)	(507,000)
	<u>(345,000)</u>	<u>964,696</u>	<u>(1,014,538)</u>	<u>-</u>	<u>(105,000)</u>	<u>(499,842)</u>
<b>Restricted fixed asset funds</b>						
Net Book Value of owned fixed assets	1,693,342	-	(58,988)	3,960	-	1,638,314
DfE/ESFA Capital Grants	-	16,015	-	(3,960)	-	12,055
	<u>1,693,342</u>	<u>16,015</u>	<u>(58,988)</u>	<u>-</u>	<u>-</u>	<u>1,650,369</u>
<b>Total Restricted funds</b>	<u>1,348,342</u>	<u>980,711</u>	<u>(1,073,526)</u>	<u>-</u>	<u>(105,000)</u>	<u>1,150,527</u>
<b>Total funds</b>	<u>1,650,519</u>	<u>1,041,000</u>	<u>(1,095,006)</u>	<u>-</u>	<u>(105,000)</u>	<u>1,491,513</u>

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

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other Government Grants fund has been established to recognise grants from Government bodies other than the DfE/ESFA and Local Authorities that fall outside the scope of core funding.

The LGPS deficit (pension reserve) fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised. The fund is in deficit, but given the nature of the liability this is not payable immediately. Plans are in place to meet the deficit.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets Fund. Capital grants received and receivable but not yet spent on fixed assets are held as current assets in the restricted fixed asset fund.

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

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>					
General	277,242	58,494	(19,622)	-	302,177
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	46,118	841,065	(887,183)	-	-
Pupil Premium	-	58,534	(58,534)	-	-
Other DfE/ESFA grants	-	54,002	(54,002)	-	-
Other Government Grants	-	13,991	(13,991)	-	-
Pension reserve	(395,000)	-	(54,000)	104,000	(345,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(348,882)	967,592	(1,067,710)	104,000	(345,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted fixed asset funds</b>					
Net Book Value of owned fixed assets	1,731,978	-	(58,924)	-	1,693,342
DfE/ESFA Capital Grants	-	6,351	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,731,978	6,351	(58,924)	-	1,693,342
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Restricted funds</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,383,096	973,943	(1,126,634)	104,000	1,348,342
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,660,338	1,032,437	(1,146,256)	104,000	1,650,519
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	1,638,314	<b>1,638,314</b>
Current assets	340,986	65,829	12,055	<b>418,870</b>
Creditors due within one year	-	(58,671)	-	<b>(58,671)</b>
Provisions for liabilities and charges	-	(507,000)	-	<b>(507,000)</b>
<b>Total</b>	<b>340,986</b>	<b>(499,842)</b>	<b>1,650,369</b>	<b>1,491,513</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	1,693,342	<b>1,693,342</b>
Current assets	363,039	-	-	<b>363,039</b>
Creditors due within one year	(60,862)	-	-	<b>(60,862)</b>
Provisions for liabilities and charges	-	(345,000)	-	<b>(345,000)</b>
<b>Total</b>	<b>302,177</b>	<b>(345,000)</b>	<b>1,693,342</b>	<b>1,650,519</b>

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	<b>(54,006)</b>	<b>(113,819)</b>
<b>Adjustments for:</b>		
Depreciation	<b>58,988</b>	<b>58,924</b>
Interest receivable	<b>(870)</b>	<b>(747)</b>
Increase in stocks	<b>(1,547)</b>	<b>513</b>
Increase in debtors	<b>(682)</b>	<b>5,855</b>
Decrease in creditors	<b>(2,191)</b>	<b>(15,786)</b>
Capital grants from DfE and other capital income	<b>(16,015)</b>	<b>(6,351)</b>
Defined benefit pension scheme costs less contributions payable	<b>48,000</b>	<b>45,000</b>
Defined benefit pension scheme finance cost	<b>9,000</b>	<b>9,000</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>40,677</b>	<b>(17,411)</b>

**20. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>870</b>	<b>747</b>
Purchase of tangible fixed assets	<b>(3,960)</b>	<b>(20,288)</b>
Capital grants from DfE Group	<b>16,015</b>	<b>6,351</b>
<b>Net cash provided by/(used in) investing activities</b>	<b>12,925</b>	<b>(13,190)</b>

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>379,120</b>	<b>325,518</b>
<b>Total cash and cash equivalents</b>	<b>379,120</b>	<b>325,518</b>

**22. Pension commitments**

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

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**22. Pension commitments (continued)**

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £11,551 were payable to the schemes at 31 August 2019 (2018 - £11,362) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £57,169 (2018 - £61,735).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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



**PENINSULA GATEWAY ACADEMY TRUST**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**22. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £49,000 (2018 - £50,000), of which employer's contributions totalled £38,000 (2018 - £39,000) and employees' contributions totalled £ 11,000 (2018 - £11,000). The agreed contribution rates for future years are 20 per cent for employers and per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.7</b>	3.8
Rate of increase for pensions in payment/inflation	<b>2.2</b>	2.3
Discount rate for scheme liabilities	<b>1.85</b>	2.65
Inflation assumption (CPI)	<b>2.2</b>	2.3
Inflation assumption (RPI)	<b>3.2</b>	3.3

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.1</b>	23.1
Females	<b>24</b>	25.2
<i>Retiring in 20 years</i>		
Males	<b>23.7</b>	25.3
Females	<b>25.8</b>	27.5

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>(26)</b>	(20)
Discount rate -0.1%	<b>27</b>	21
Mortality assumption - 1 year increase	<b>38</b>	27
Mortality assumption - 1 year decrease	<b>(36)</b>	(27)

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**22. Pension commitments (continued)**

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

	<b>At 31 August 2019 £</b>	<i>At 31 August 2018 £</i>
Equities	375,000	327,000
Gilts	4,000	4,000
Property	64,000	60,000
Cash and other liquid assets	15,000	15,000
Absolute return fund	43,000	33,000
Other bonds	50,000	43,000
<b>Total market value of assets</b>	<b>551,000</b>	<b>482,000</b>

The actual return on scheme assets was £21,000 (2018 - £20,000).

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

	<b>2019 £</b>	<i>2018 £</i>
Current service cost	(72,000)	(84,000)
Interest income	13,000	12,000
Interest cost	(22,000)	(21,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(81,000)</b>	<b>(93,000)</b>

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

	<b>2019 £</b>	<i>2018 £</i>
<b>At 1 September</b>	<b>827,000</b>	<b>821,000</b>
Current service cost	72,000	84,000
Interest cost	22,000	21,000
Employee contributions	11,000	11,000
Actuarial losses/(gains)	114,000	(96,000)
Benefits paid	(2,000)	(14,000)
Past service costs	14,000	-
<b>At 31 August</b>	<b>1,058,000</b>	<b>827,000</b>

**PENINSULA GATEWAY ACADEMY TRUST**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**22. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>482,000</b>	<b>426,000</b>
Interest income	13,000	12,000
Actuarial gains	9,000	8,000
Employer contributions	38,000	39,000
Employee contributions	11,000	11,000
Benefits paid	(2,000)	(14,000)
<b>At 31 August</b>	<b>551,000</b>	<b>482,000</b>

**23. Operating lease commitments**

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	2,361	3,148
Later than 1 year and not later than 5 years	-	2,361
	<b>2,361</b>	<b>5,509</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.

**25. Related party transactions**

During the previous period A Osborne (a member) was a director of A Osborne Electrical Limited. Expenditure of £4,377 was incurred with A Osborne Electrical Limited during 2018 with no amounts owed from the Academy Trust at 31 August 2018. There have been transactions with A Osborne Electrical Limited during 2019 but only since the date that A Osborne ceased to be a director of that company.

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees 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.