

Company Registration Number: 08095169 (England and Wales)

**PENINSULA GATEWAY ACADEMY TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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## **PENINSULA GATEWAY ACADEMY TRUST**

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### **REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Members**

Anthony Osborne  
Ruth Lindsay  
Rishi Boyjoonauth

#### **Trustees / Governors**

Ruth Lindsay (Chair) \*  
Louise Coppin (Vice Chair)  
Rishi Boyjoonauth (Principal) \*  
Craig Hallatt (Appointed 18<sup>th</sup> October 2017)\*  
Michelle Kunwor\*  
Amanda Link  
Ruth Pike  
Tina Reeves  
Julia Slade (Appointed 18<sup>th</sup> October 2017)\*  
Vacancy

\* Members of the Finance & Strategic Planning Committee

#### **Company Secretary**

Diane Martin

#### **Senior Management Team**

Principal  
Vice Principal  
Mathematics Co-ordinator  
English Co-ordinator  
SENCo  
School Business Manager

Rishi Boyjoonauth  
Michelle Kunwor  
Vicky Diddams  
Iris Homer  
Carol Laker  
Diane Martin

#### **Company Name**

Peninsula Gateway Academy Trust

#### **Principal and registered office**

Chattenden Primary School, Chattenden Lane, Chattenden, Rochester, Kent ME3 8LF

#### **Company registered number**

08095169 (England & Wales)

#### **Independent Auditor**

MHA MacIntyre Hudson, 71 New Dover Road, Canterbury, Kent, CT1 3DZ

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**PENINSULA GATEWAY ACADEMY TRUST**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Bankers**

Barclays Bank Plc, 263/265 High Street, Chatham, Kent ME4 4BZ

Lloyds Bank, 129/131 High Street, Strood, Rochester, Kent ME2 4TW

**Solicitors**

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

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## **PENINSULA GATEWAY ACADEMY TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The 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 205 in the school census in January 2018.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Peninsula Gateway Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Peninsula Gateway Academy Trust which runs Chattenden Primary School.

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

#### **Members Liability**

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

#### **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 £4,180.

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, errors or omissions occurring whilst on academy business, and provides unlimited cover. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

#### **Method of Recruitment and Appointment or Election of Trustees**

1. Appointed Trustees – The Members of Peninsula Gateway Academy Trust have the right to appoint up to 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 a minimum of TWO Parent Trustees. Parents 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 Trustee elections. If insufficient parents stand for election the Governing Body must appoint Parent Trustees to bring their number up to that required by the Articles of Association. Such appointed Parent Trustees would preferably be parents of registered pupils at the School. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent of a child of compulsory school age.

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## PENINSULA GATEWAY ACADEMY TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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3. Staff Trustees – A minimum of TWO Staff Governors are elected by the School staff as individuals, representative of the staff of 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.

#### **Policies and Procedures 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 Induction Trustee. An Induction Pack is provided to all new Trustees and the introduction also includes tours of the school and the opportunity to meet other members of the school staff.

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 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

#### **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.

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## **PENINSULA GATEWAY ACADEMY TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **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 their 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 pay and remuneration.

#### **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.

#### **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 is a related party due to Anthony Osborne being a Member of Peninsula Gateway Academy Trust and being the owner of A Osborne Electrical Ltd.

## **OBJECTIVES AND ACTIVITIES**

### **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.

### **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 achievement by all pupils in their social, moral, spiritual, cultural, mental and physical development.

Therefore, Chattenden Primary School aims to encourage pupils to:

- Become confident, 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

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## PENINSULA GATEWAY ACADEMY TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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- 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

#### Public Benefit

The Directors of Peninsula Gateway Academy Trust have considered the Charity Commissions' 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 broadly 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

In the academic year 2017-2018 Chattenden Primary School achieved results higher than national results in all areas at Key Stage 1. There was a significant increase in the number of pupils obtaining greater depth than the previous academic year. At Key Stage 2 pupils achieved results higher than the national results 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 also above national benchmarks.

#### Key Financial Performance Indicators

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

2017-2018	School	National
Reading	86%	75%
Writing	79%	70%
Maths	83%	76%

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

2017-2018	School	National
Reading	77%	75%
Writing	81%	76%
GPAS	81%	78%
Maths	85%	76%
Combined	74%	64%

Peninsula Gateway Academy Trust recognises the responsibility that it has under the Companies Act to disclose the principal risks and uncertainties it faces. The school acknowledges that its ability to continue to provide pupils with the continuing advancement of education it is reliant upon the agreed public funding levels distributed to the school in the form of a General Annual Grant. The school acknowledges that its planned level of expenditure must not exceed the school's known income now and the future forecast income. In doing so it pays due regard to the high proportion of costs based on wages and any forces influencing rising wage costs.



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## PENINSULA GATEWAY ACADEMY TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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#### 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.

#### 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 are shown as restricted asset funds. The balance sheet restricted fixed 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 £302k. Restricted funds total £1,348k.

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.

#### 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 Trustees' 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 2018 the School had GAG reserves of £NIL and £302k of unrestricted funds.

At 31 August 2018 the total funds comprised:

Unrestricted:		£ 302,177
Restricted:	Fixed asset funds	£1,693,342
	Pension reserve	£(345,000)
		<u>£1,650,519</u>

#### 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 these cash funds.

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## **PENINSULA GATEWAY ACADEMY TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **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 MHA MacIntyre Hudson 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 £345k.

#### **Fundraising**

Fundraising for the Academy 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 pupils at all levels. Additionally, it will continue its efforts to improve the achievements of its students, 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 TRUSTEE ON BEHALF OF OTHERS**

During the period from 1 September 2017 to 31 August 2018 Peninsula Gateway Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

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**PENINSULA GATEWAY ACADEMY TRUST**

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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

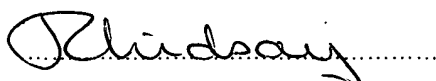
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**AUDITOR**

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on ...19-11-18.....2018 and signed on the board's behalf by:



**Ruth Lindsay**  
Chair of Trustees

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## PENINSULA GATEWAY ACADEMY TRUST

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### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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#### 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 4 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 Lindsay (Chair)	4	4
R Boyjoonauth (Principal and Accounting Officer)	4	4
L Coppin (Vice Chair)	4	4
C Hallatt (Appointed 18 <sup>th</sup> October)	2	3
M Kunwor (Staff Trustee)	4	4
A Link (Staff Trustee)	4	4
R Pike	4	4
T Reeves	4	4
J Slade (Appointed 18 <sup>th</sup> October 2017)	3	3

Major Craig Hallett and Miss Julia Slade were appointed as Parent Governors on 18<sup>th</sup> October 2017. There is currently still one vacancy.

The board of Trustees monitor the overall strategic direction of Peninsula Gateway Academy Trust as well as supporting the Principal in the day to day running of the Academy. In addition the Trustees are divided in to various sub committees which support and challenge the key management areas of the Academy.

The board regularly audit their own skill set to highlight areas of development and required training.

Mock inspections are also conducted which contribute towards judging the effectiveness and impact of governance.

In addition, the Key Performance Indicators are also evidence of the effectiveness of governance.

The board of governors regularly seek assurances from the Principal with regards to the quality of assessment data. In addition a Trustee will also scrutinise the data with the assessment lead of the Academy. Financial data is scrutinised and regularly reviewed as part of the Academy's budget monitoring systems.

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## PENINSULA GATEWAY ACADEMY TRUST

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### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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As a Board of Trustees an external evaluation of the Academy took place. As part of this evaluative process some elements of governance were considered and reviewed.

There is sufficient understanding of the quality of teaching and what 'good' and 'outstanding' teaching looks like. There is adequate grasp of the current OFSTED framework. A full review of Governor Competencies has been undertaken. The governors are proactive in school and regular monitoring visits took place. Each subject area was monitored throughout the year.

Next year's focus will be expanding the MAT and augmenting financial resources.

An external review of governance is planned for 2018-2019.

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.

For the first time there was an in-year deficit budget set and agreed by Trustees but through frequent monitoring and careful spending the in-year deficit was reduced considerably. The in-year deficit was covered by the Academy's reserves. This is a high priority for the Academy and is continually monitored by all Trustees.

During the year J Slade joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Boyjoonauth	3	3
L Coppin	3	3
R Lindsay	3	3
R Pike	3	3
J Slade	1	2

The Budget Monitoring Committee is also sub-committee of the main board of trustees. Its purpose is to monitor the budget on a monthly basis to ensure financial plans, spending and auditing are on track.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Boyjoonauth	5	5
R Lindsay	5	5
J Slade	2	5

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## **PENINSULA GATEWAY ACADEMY TRUST**

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### **GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **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 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 educational 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 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.

#### **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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Peninsula Gateway Academy Trust for the period 1 September 2017 to 31 August 2018 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 trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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## **PENINSULA GATEWAY ACADEMY TRUST**

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### **GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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 MHA MacIntyre Hudson 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:

- Banking and bank reconciliation
- Income
- Purchasing
- Governance and procedures
- Voluntary Fund
- Payroll and recruitment
- VAT
- Budget monitoring and management of accounts
- Contracts and procurement
- Testing of control accounts

Three times a year 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 board of 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 auditor's work.

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**PENINSULA GATEWAY ACADEMY TRUST**

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**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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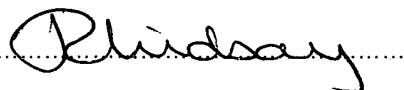
**REVIEW OF EFFECTIVENESS**

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

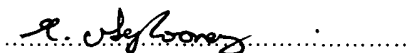
- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the auditor and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on ....19.11.18..... and signed on its behalf by:



**Ruth Lindsay**  
Chair of Trustees



**R Boyjoonauth**  
Accounting Officer



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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Peninsula Gateway Academy Trust I have considered my responsibility to notify the Academy Trust's 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 Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.

  
.....  
**R Boyjoonauth**  
**Accounting Officer**

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 Annual Accounts Direction issued 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:

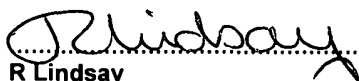
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 19-11-18 and signed on its behalf by:

  
R Lindsay  
Chair of Trustees

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PENINSULA GATEWAY ACADEMY TRUST**

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**OPINION**

We have audited the Financial Statements of Peninsula Gateway Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities (Incorporating Income and Expenditure Account), 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 2017 to 2018 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 Trust's affairs as at 31 August 2018 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 2017 to 2018 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 Trust 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 Trust'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.

**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. 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.

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**PENINSULA GATEWAY ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PENINSULA GATEWAY ACADEMY TRUST**

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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 has 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 Trust 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.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

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**PENINSULA GATEWAY ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PENINSULA GATEWAY ACADEMY TRUST**

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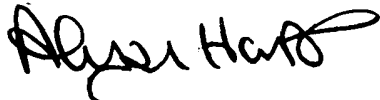
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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 Trust'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 Trust'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 Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alyson Howard FCCA DChA CF (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

71 New Dover Road  
Canterbury  
Kent

CT1 3DZ

Date: 7 December 2018

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PENINSULA GATEWAY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 15 May 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the 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 the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PENINSULA GATEWAY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

71 New Dover Road  
Canterbury  
Kent  
CT1 3DZ

Date: *7 December 2018*

**PENINSULA GATEWAY ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	5,593	-	6,351	11,944	10,290
Charitable activities	3	-	967,592	-	967,592	982,976
Other trading activities	4	52,154	-	-	52,154	61,145
Investments	5	747	-	-	747	1,225
<b>TOTAL INCOME</b>		<b>58,494</b>	<b>967,592</b>	<b>6,351</b>	<b>1,032,437</b>	<b>1,055,636</b>
<b>EXPENDITURE ON:</b>						
Raising funds	6	18,791	-	-	18,791	46,205
Charitable activities	7	831	1,067,710	58,924	1,127,465	1,078,869
<b>TOTAL EXPENDITURE</b>	6	<b>19,622</b>	<b>1,067,710</b>	<b>58,924</b>	<b>1,146,256</b>	<b>1,125,074</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	38,872 (13,937)	(100,118) -	(52,573) 13,937	(113,819) -	(69,438) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		24,935	(100,118)	(38,636)	(113,819)	(69,438)
Actuarial gains on defined benefit pension schemes	23	-	104,000	-	104,000	73,000
<b>NET MOVEMENT IN FUNDS</b>		<b>24,935</b>	<b>3,882</b>	<b>(38,636)</b>	<b>(9,819)</b>	<b>3,562</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		277,242	(348,882)	1,731,978	1,660,338	1,656,776
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>302,177</b>	<b>(345,000)</b>	<b>1,693,342</b>	<b>1,650,519</b>	<b>1,660,338</b>

The notes on pages 25 to 48 form part of these Financial Statements.

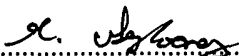


**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08095169 (ENGLAND AND WALES)**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	15		1,693,342		1,731,978
<b>CURRENT ASSETS</b>					
Stocks	16	593		1,106	
Debtors	17	36,928		42,783	
Cash at bank and in hand		325,518		356,119	
		<u>363,039</u>		<u>400,008</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(60,862)</u>		<u>(76,648)</u>	
<b>NET CURRENT ASSETS</b>			<b>302,177</b>		<b>323,360</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,995,519</b>		<b>2,055,338</b>
Defined benefit pension scheme liability	23		<u>(345,000)</u>		<u>(395,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>1,650,519</b>		<b>1,660,338</b>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted general funds	19	-		46,118	
Restricted fixed asset funds	19	1,693,342		1,731,978	
		<u>1,693,342</u>		<u>1,778,096</u>	
Restricted funds excluding pension liability					
Restricted general funds - pension reserve		<u>(345,000)</u>		<u>(395,000)</u>	
Total restricted funds			<b>1,348,342</b>		<b>1,383,096</b>
Unrestricted income funds	19		<u>302,177</u>		<u>277,242</u>
<b>TOTAL FUNDS</b>			<b>1,650,519</b>		<b>1,660,338</b>

The Financial Statements on pages 22 to 48 were approved by the Trustees, and authorised for issue, on 19-11-18 and are signed on their behalf, by:

  
 .....  
**R Boyjoonauth**  
**Trustee**

The notes on pages 25 to 48 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 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	<u>(17,411)</u>	<u>59,901</u>
<b>Cash flows from investing activities:</b>			
Investment income		747	1,225
Purchase of tangible fixed assets		(20,288)	(33,399)
Capital grants from DfE Group		<u>6,351</u>	<u>6,329</u>
<b>Net cash used in investing activities</b>		<u>(13,190)</u>	<u>(25,845)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(30,601)</u>	<u>34,056</u>
Cash and cash equivalents brought forward		<u>356,119</u>	<u>322,063</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>325,518</u></u>	<u><u>356,119</u></u>

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Peninsula Gateway Academy Trust constitutes a public benefit entity as defined by FRS 102. The Financial Statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

Peninsula Gateway Academy Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation is detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

**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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

**1.3 Fund accounting**

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

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

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

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

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 no unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised in full when there is unconditional entitlement to the grant and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants paid in respect of eligible expenditure are only recognised when such expenditure has been incurred. Any income received in advance is deferred.

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

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

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

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Taxation**

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

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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, transfers are made to the restricted fixed assets 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 had been included.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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.

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.9 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.

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**PENINSULA GATEWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 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.

**1.11 Liabilities and provisions**

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

**1.12 Operating leases**

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

**1.13 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

*Financial assets* - trade debtors, other debtors and accrued income are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. 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.

**1.14 Pensions**

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

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**1. ACCOUNTING POLICIES (continued)**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.15 Restatement of prior year figures**

The prior period results have been restated to correctly classify elements of expenditure.

The effect of this restatement on expenditure was to reclassify expenditure within Charitable Activities which resulted in a decrease of £89,000 in Expenditure within Charitable Activities - Direct Staff Costs, an increase of £97,000 in Expenditure within Charitable Activities - Support Staff Costs and a decrease of £8,000 in Expenditure within Charitable Activities - Support Other Costs.

Components within Charitable Activities have been reclassified to better reflect the reporting requirements of the Academy Accounts Direction.

Staff costs have also increased by £8,000 to include the Defined benefit pension scheme finance cost.

None of these adjustments had any impact on the surplus for the year or the funds as at 31 August 2017.

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

**1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 15 for the carrying amount of the property, plant and equipment, and policy 1.7 for the useful economic lives for each class of asset.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	5,593	-	-	5,593	3,961
Capital grants	-	-	6,351	6,351	6,329
Total 2018	5,593	-	6,351	11,944	10,290
Total 2017	3,961	-	6,329	10,290	



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**3. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	841,065	841,065	853,817
Pupil Premium	-	58,534	58,534	71,900
Other DfE/ESFA grants	-	22,538	22,538	12,832
Universal Infant Free School Meals	-	31,464	31,464	32,557
	-	953,601	953,601	971,106
<b>Other Government grants</b>				
Local government grants	-	13,991	13,991	11,870
	-	13,991	13,991	11,870
<b>Total 2018</b>	-	967,592	967,592	982,976
<b>Total 2017</b>	-	982,976	982,976	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
School trips	18,460	-	18,460	17,433
Uniform sales	553	-	553	429
After school clubs	13,765	-	13,765	16,359
Other income	19,376	-	19,376	26,924
<b>Total 2018</b>	52,154	-	52,154	61,145
<b>Total 2017</b>	61,145	-	61,145	

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**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	747	-	747	1,225
Total 2017	1,225	-	1,225	

**6. TOTAL EXPENDITURE**

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £	As restated Total 2017 £
Expenditure on raising funds					46,205
Direct costs	-	-	-	-	-
Support costs	-	-	18,791	18,791	-
Charitable activities:					
Direct costs	657,600	-	65,714	723,314	552,627
Support costs	180,074	104,954	119,123	404,151	526,242
Total 2018	837,674	104,954	203,628	1,146,256	1,125,074
Total 2017	822,380	48,207	254,487	1,125,074	

In 2017, of total expenditure of £1,125,074, £46,205 was from unrestricted funds, £1,014,664 was from restricted general funds and £64,205 was from restricted fixed asset funds.

**7. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	As restated Total 2017 £
Educational operations	723,314	404,151	1,127,465	1,078,869
Total 2017 Restated	552,627	526,242	1,078,869	

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**8. TOTAL DIRECT COSTS**

	<b>Fundraising expenses £</b>	<b>Activities £</b>	<b>Total 2018 £</b>	<b>As restated Total 2017 £</b>
Teaching and learning costs	-	58,711	58,711	43,825
Other costs	18,791	7,003	25,794	81,450
Direct staff costs	-	657,600	657,600	473,557
	<b>18,791</b>	<b>723,314</b>	<b>742,105</b>	<b>598,832</b>
At 31 August 2017	-	598,832	598,832	

**9. TOTAL SUPPORT COSTS**

	<b>Educational operations £</b>	<b>Total 2018 £</b>	<b>As restated Total 2017 £</b>
Defined benefit pension scheme finance cost	9,000	9,000	8,000
Technology costs	22,772	22,772	18,972
Premises costs	46,404	46,404	42,256
Governance costs	15,845	15,845	25,302
Other costs	80,132	80,132	61,929
Support staff costs	171,074	171,074	305,578
Depreciation	58,924	58,924	64,205
At 31 August 2018	<b>404,151</b>	<b>404,151</b>	<b>526,242</b>
At 31 August 2017	526,242	526,242	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. GOVERNANCE COSTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - Audit of the Financial Statements	<b>6,100</b>	6,100
Auditors' remuneration - Other services	<b>4,770</b>	7,315
Legal and professional fees	<b>4,975</b>	11,887
	<hr/>	<hr/>
Total	<b>15,845</b>	25,302
	<hr/>	<hr/>

**11. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	<b>58,924</b>	64,205
Auditors' remuneration - Audit of the Financial Statements	<b>6,100</b>	6,100
Auditors' remuneration - Other services	<b>4,475</b>	7,315
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	As restated 2017 £
Wages and salaries	632,871	619,581
Social security costs	51,617	46,309
Pension costs	144,186	148,490
	<u>828,674</u>	<u>814,380</u>
Agency staff costs	15,854	35,245
Defined benefit pension scheme finance cost	9,000	8,000
	<u>853,528</u>	<u>857,625</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teaching	9	10
Support and admin	20	21
Management	2	2
	<u>31</u>	<u>33</u>

No employee received remuneration amounting to more than £60,000 in either year.

**c. Key management personnel**

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for services to the Academy Trust was £180,251 (2017 - £170,402).

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**13. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
R Boyjoonauth, Principal and Accounting Officer	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
M Kunwor, Trustee	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
A Link, Trustee	Remuneration	5,000-10,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000

During the year ended 31 August 2018, expenses totalling £107 (2017 - £320) were reimbursed to 1 Trustee (2017 - 2).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

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

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**15. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2017	1,825,835	158,209	63,389	2,047,433
Additions	-	13,520	6,768	20,288
At 31 August 2018	1,825,835	171,729	70,157	2,067,721
<b>Depreciation</b>				
At 1 September 2017	183,905	77,891	53,659	315,455
Charge for the year	36,517	17,173	5,234	58,924
At 31 August 2018	220,422	95,064	58,893	374,379
<b>Net book value</b>				
At 31 August 2018	1,605,413	76,665	11,264	1,693,342
At 31 August 2017	1,641,930	80,318	9,730	1,731,978

**16. STOCKS**

	2018 £	2017 £
Uniform stock	593	1,106

**17. DEBTORS**

	2018 £	2017 £
Trade debtors	-	1,210
VAT debtors	10,151	13,426
Prepayments and accrued income	26,777	28,147
	36,928	42,783

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. CREDITORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>5,733</b>	24,319
Other taxation and social security	<b>12,709</b>	12,805
Other creditors	<b>11,376</b>	12,447
Accruals and deferred income	<b>31,044</b>	27,077
	<b>60,862</b>	76,648
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2017	<b>20,492</b>	19,862
Resources deferred during the year	<b>19,604</b>	20,492
Amounts released from previous years	<b>(20,492)</b>	(19,862)
Deferred income at 31 August 2018	<b>19,604</b>	20,492

At the Balance Sheet date the Academy Trust was holding funds received in advance of the 2018-19 academic year in respect of Universal infant free school meals and school trip income.



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**19. STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>General funds</b>						
General Funds	277,242	58,494	(19,622)	(13,937)	-	302,177
<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)
	<u>(348,882)</u>	<u>967,592</u>	<u>(1,067,710)</u>	<u>-</u>	<u>104,000</u>	<u>(345,000)</u>
<b>Restricted fixed asset funds</b>						
Net Book Value of owned Fixed Assets	1,731,978	-	(58,924)	20,288	-	1,693,342
DfE/ESFA Capital Grants	-	6,351	-	(6,351)	-	-
	<u>1,731,978</u>	<u>6,351</u>	<u>(58,924)</u>	<u>13,937</u>	<u>-</u>	<u>1,693,342</u>
<b>Total restricted funds</b>	<u>1,383,096</u>	<u>973,943</u>	<u>(1,126,634)</u>	<u>13,937</u>	<u>104,000</u>	<u>1,348,342</u>
<b>Total of funds</b>	<u>1,660,338</u>	<u>1,032,437</u>	<u>(1,146,256)</u>	<u>-</u>	<u>104,000</u>	<u>1,650,519</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. STATEMENT OF FUNDS - CURRENT YEAR (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. During the year, a transfer of £6,351 was made to the NBV of owned Fixed Assets fund for capital purchases.

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. During the year, a transfer of £6,351 was made to the NBV of owned Fixed Assets fund for capital purchases.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**19. STATEMENT OF FUNDS - CURRENT YEAR (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
General Funds	257,116	66,331	(46,205)	-	-	277,242
<b>Restricted general funds</b>						
General Annual Grant (GAG)	46,876	853,817	(827,505)	(27,070)	-	46,118
Pupil Premium	-	71,900	(71,900)	-	-	-
Other DfE / ESFA grants	-	32,557	(32,557)	-	-	-
Other Government Grants	-	12,832	(12,832)	-	-	-
Other generated funds	-	11,870	(11,870)	-	-	-
Pension reserve	(410,000)	-	(58,000)	-	73,000	(395,000)
	<u>(363,124)</u>	<u>982,976</u>	<u>(1,014,664)</u>	<u>(27,070)</u>	<u>73,000</u>	<u>(348,882)</u>
<b>Restricted fixed asset funds</b>						
Net Book Value of owned Fixed Assets	1,762,784	-	(57,876)	27,070	-	1,731,978
DfE/ESFA Capital Grants	-	6,329	(6,329)	-	-	-
Total restricted funds	<u>1,399,660</u>	<u>989,305</u>	<u>(1,078,869)</u>	<u>-</u>	<u>73,000</u>	<u>1,383,096</u>
Total of funds	<u>1,656,776</u>	<u>1,055,636</u>	<u>(1,125,074)</u>	<u>-</u>	<u>73,000</u>	<u>1,660,338</u>

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**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>General funds</b>						
General Funds	257,116	124,825	(65,827)	(13,937)	-	302,177
<b>Restricted general funds</b>						
General Annual Grant (GAG)	46,876	1,694,882	(1,714,688)	(27,070)	-	-
Pupil Premium	-	130,434	(130,434)	-	-	-
Other DfE / ESFA grants	-	86,559	(86,559)	-	-	-
Other Government Grants	-	26,823	(26,823)	-	-	-
Other generated funds	-	11,870	(11,870)	-	-	-
Pension reserve	(410,000)	-	(112,000)	-	177,000	(345,000)
	<u>(363,124)</u>	<u>1,950,568</u>	<u>(2,082,374)</u>	<u>(27,070)</u>	<u>177,000</u>	<u>(345,000)</u>
<b>Restricted fixed asset funds</b>						
Net Book Value of owned Fixed Assets	1,762,784	-	(116,800)	47,358	-	1,693,342
DfE/ESFA Capital Grants	-	12,680	(6,329)	(6,351)	-	-
	<u>1,399,660</u>	<u>1,963,248</u>	<u>(2,205,503)</u>	<u>13,937</u>	<u>177,000</u>	<u>1,348,342</u>
<b>Total of funds</b>	<u><u>1,656,776</u></u>	<u><u>2,088,073</u></u>	<u><u>(2,271,330)</u></u>	<u><u>-</u></u>	<u><u>177,000</u></u>	<u><u>1,650,519</u></u>

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,693,342	1,693,342
Current assets	363,039	-	-	363,039
Creditors due within one year	(60,862)	-	-	(60,862)
Defined benefit pension scheme liability	-	(345,000)	-	(345,000)
	<u>302,177</u>	<u>(345,000)</u>	<u>1,693,342</u>	<u>1,650,519</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,731,978	1,731,978
Current assets	277,242	122,766	-	400,008
Creditors due within one year	-	(76,648)	-	(76,648)
Defined benefit pension scheme liability	-	(395,000)	-	(395,000)
	<u>277,242</u>	<u>(348,882)</u>	<u>1,731,978</u>	<u>1,660,338</u>

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(113,819)	(69,438)
<b>Adjustment for:</b>		
Depreciation charges	58,924	64,205
Investment income	(747)	(1,225)
Decrease/(increase) in stocks	513	(113)
Decrease/(increase) in debtors	5,855	(3,500)
(Decrease)/increase in creditors	(15,786)	18,301
Capital grants from DfE and other capital income	(6,351)	(6,329)
Defined benefit pension scheme cost less contributions payable	45,000	50,000
Defined benefit pension scheme finance cost	9,000	8,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(17,411)</u>	<u>59,901</u>

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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	325,518	356,119
Total	325,518	356,119

**23. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2018.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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**23. PENSION COMMITMENTS (continued)**

- 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £[enter amount]61,735 (2017 - £58,744).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £46,142 (2017 - £51,000), of which employer's contributions totalled £34,861 (2017 - £39,000) and employees' contributions totalled £11,281 (2017 - £12,000). The agreed contribution rates for future years are 20.1% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Expected return on scheme assets at 31 August	4.00 %	16.00 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

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**23. PENSION COMMITMENTS (continued)**

<b>Sensitivity analysis</b>	<b>At 31 August 2018 £'000</b>	<b>At 31 August 2017 £'000</b>
Discount rate +0.1%	(20)	(20)
Discount rate -0.1%	21	21
Mortality assumption - 1 year increase	27	26
Mortality assumption - 1 year decrease	(27)	(26)

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	327,000	300,000
Gilts	4,000	3,000
Property	60,000	52,000
Cash	15,000	14,000
Absolute return fund	33,000	16,000
Other bonds	43,000	41,000
<b>Total market value of assets</b>	<b>482,000</b>	<b>426,000</b>

The actual return on scheme assets was £20,000 (2017 - £56,000).

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

	<b>2018 £</b>	<b>2017 £</b>
Current service cost	(84,000)	(89,000)
Interest income	12,000	8,000
Interest cost	(21,000)	(16,000)
<b>Total</b>	<b>(93,000)</b>	<b>(97,000)</b>



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**23. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	821,000	731,000
Current service cost	84,000	89,000
Interest cost	21,000	16,000
Employee contributions	11,000	12,000
Actuarial (gains)	(96,000)	(26,000)
Benefits paid	(14,000)	(1,000)
Closing defined benefit obligation	827,000	821,000

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

	2018 £	2017 £
Opening fair value of scheme assets	426,000	321,000
Interest income	12,000	8,000
Actuarial gains	8,000	47,000
Employer contributions	39,000	39,000
Employee contributions	11,000	12,000
Benefits paid	(14,000)	(1,000)
Closing fair value of scheme assets	482,000	426,000

**Reconciliation of opening to closing Defined Benefit Pension Scheme liability**

	2018 £	2017 £
Defined benefit pension scheme liability brought forward	395,000	410,000
Defined benefit pension scheme cost less contributions payable	45,000	50,000
Defined benefit pension scheme finance cost	9,000	8,000
Actuarial (gains)	(104,000)	(73,000)
Defined benefit pension scheme liability carried forward	345,000	395,000

The amounts recognised in the Balance Sheet are as follows:

	2018 £	2017 £
Defined benefit pension scheme obligation	(827,000)	(821,000)
Fair value of pension scheme assets	482,000	426,000
Total	(345,000)	(395,000)

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	3,148	3,148
Between 1 and 5 years	2,361	5,509
Total	<u>5,509</u>	<u>8,657</u>

**25. 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.

**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust'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 the Academy Trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure of £4,377 (2017 - £2,856) was incurred in relation to A Osbourne Electrical Limited, a company in which A Osbourne is a Director, during the year in respect of electrical repairs. There were no amounts owed from the Academy Trust at 31 August 2018 (2017 - £NIL). In entering these transactions the Academy Trust has complied with the requirements of the Academies Handbook.