

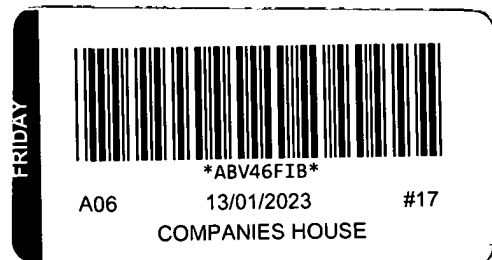
Company Registration Number: 08095169 (England & Wales)

PENINSULA GATEWAY ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2022



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

Members	R Lindsay L Coppin (resigned 14 October 2021) T Osborne C Hallatt (appointed 14 October 2021)
Trustees	N A Shorthouse, Chair ¹ M Kilgallon, Vice Chair L Cornwell, Vice Chair (resigned 30 September 2022) C Hallatt (resigned 14 October 2021) S Lamb J North (appointed 1 September 2021) ¹ C Lemon ¹ S Mackie ¹ V Diddams H O'Neil (appointed 8 November 2021) ¹ ¹ members of the Finance, Audit and Resources Committee
Company registered number	08095169
Company name	Peninsula Gateway Academy Trust
Principal and registered office	Chattenden Primary School Chattenden Lane Chattenden Rochester Kent ME3 8LF
Company secretary	Diane Martin
Senior management team	Julie North, Principal Vicky Diddams, Vice Principal Jasmin Coppin, SENCo Diane Martin, School Business Manager
Independent auditors	Xeinadin Audit Limited Chartered Accountants Statutory Auditors Sittingbourne Kent ME10 5BH

PENINSULA GATEWAY ACADEMY TRUST
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Reference and Administrative Details (continued)
For the Year Ended 31 August 2022

Bankers

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

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

Solicitors

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

PENINSULA GATEWAY ACADEMY TRUST
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Trustees' Report
For the Year Ended 31 August 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Chattenden, Rochester. It has a pupil capacity of 210 and had a roll of 208 in the school census on 19 May 2022.

Structure, governance and management

a. Constitution

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

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

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

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

b. Members' liability

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

*As required in the academy trust's funding agreement/memorandum and articles of association.

c. Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £3,971.

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

PENINSULA GATEWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

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

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

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

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 current Co-opted Trustees have been co-opted by Members.

The method of recruitment is through networking, parent elections and nominations as and when vacancies occur.

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

PENINSULA GATEWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

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

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

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

f. Organisational structure

Peninsula Gateway Academy Trust was set up as a Multi Academy Trust but is currently one school but with the view to expand the trust.

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.

The Principal is also the CEO of the Trust and this year the Trust has taken the decision to take the Vice Principal out of the class for teaching to support the Principal to increase the strategic development of the Trust.

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

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

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

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

h. 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.

PENINSULA GATEWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2022

Objectives and activities

a. Objects and aims

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

b. Objectives, strategies and activities

The school Motto is "Dedicated to the Happiness of Our Children – Success No Matter What".

The school believes that all pupils have skills and talents that are encouraged to develop within an efficient working environment through secure effective teaching and learning. The school values all pupils' wellbeing alongside their achievement in their social, moral, spiritual, cultural, mental and physical development.

Therefore, through the core values and curriculum Chattenden Primary School aims to encourage pupils to:

- Experience a full range of enrichment opportunities through curriculum planning
- Receive and participate in extracurricular activities, including arts week, music festivals and specialist dance workshops, local maths competitions and PE sessions and competitions
- Maintain relationships with the school and local community through the updates on School's Jotter and Instagram
- Become efficient, independent learners, well equipped for lifelong learning
- Derive enjoyment from their learning which should extend their intellectual capacity, develop their interest and stimulate their curiosity
- Embrace the many opportunities provided by computing technologies, whilst fully accepting the responsibilities that go with using them properly
- Engage in a broad programme of experiences which enable them to appreciate their cultural inheritance and to understand more about themselves and the world in which they live
- Develop the capacities to make informed, rational and responsible decisions and to work in ways which enhance their self respect and sensitivity to the needs of others, particularly those less advantaged than themselves
- Show respect for each other and all people working in the school, and to appreciate the diverse talents that contribute to our school community
- Play a full part in creating a caring, supportive school environment
- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens
- Display self discipline and reflection
- Foster good behaviour and avoid all forms of bullying

c. Public benefit

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

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

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

PENINSULA GATEWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2022

Strategic report

Achievements and performance

a. Key performance indicators

Attainment across the school is in line with or exceeds the national average for KS1 and exceeded in all attainment areas at KS2. Many results are above all national benchmarks, pupils are making good progress in EYFS from a low starting point and disadvantaged pupils are making good progress. Phonics screening results remain strong with over 80% of children reaching the expected standard. In the first multiplication timetable check for the year 4 cohort 81% pupils achieved a score of 22 or more.

Attendance was in line with the national average for the academic year.

b. Going concern

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

PENINSULA GATEWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2022

Strategic report (continued)

Financial review

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

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

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

Unrestricted funds total £283,505 (2021 - £281,116). There was £Nil of general restricted funds as at 31 August 2022 (2021 - £461).

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.

The school received a total of £9,278 from the DfE for the COVID 19 which was used to enhance the learning provision for pupils through the National Tutoring Programme. The school also received an additional £7,467 through the Recovery Premium funding which was also used to enhance the learning provision for pupils.

Peninsula Gateway Academy Trust does have a defined benefit Local Government Pension Scheme deficit of £110,000 (2021 - £841,000).

a. Reserves policy

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

The trustee's Finance, Audit and Resources 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 20% of the GAG funding as an appropriate cushion. As at 31 August 2022 the School had GAG reserves of £Nil (2021 - £461) and £283,505 (2021 - £281,116) of unrestricted funds.

At 31 August 2022 the total funds comprised:

		2022	2021
Unrestricted:		£283,505	£281,116
Restricted:	GAG	£nil	£461
	Fixed asset funds	£1,505,726	£1,551,701
	Pension reserve	£(110,000)	£(841,000)
	Total	£1,679,231	£992,278

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Trustees' Report (continued)
For the Year Ended 31 August 2022

b. Investment policy

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

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

c. Principal risks and uncertainties

The principal risks or uncertainties faced by Chattenden Primary School are:

The impact of COVID 19, Financial, Health and Safety, Unexpected Loss or Damage and Safeguarding.

The management of the risks in certain areas are as follows:

COVID 19:

The academy has a robust risk assessment in place for all pupils and staff. In addition, the Business Continuity plan is constantly reviewed and updated. Trustees are regularly updated on the ever changing landscape of the pandemic. In relation to the financial impact of COVID 19; the expenditure of items specifically related to the virus and in keeping pupils, staff and visitors safe, are constantly monitored. In relation to staffing; staff are protected through a system of controls. In the event of a breakout the necessary measures will be put in place as advised by the DfE and Public Health England to ensure the ongoing safety of pupils, staff and visitors whilst ensuring that pupils still have access to learning.

Roof:

The school has applied for the CIF bid for the past three years to replace most of the roof but has been unsuccessful. School funds do not accommodate the cost of the quoted works of £308,825. This continues to be a health and safety risk in some areas of the school.

Finance:

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 UHY Hacker Young within the school and External Audit carried out by Williams Giles Professional Services Ltd
- 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, Audit and Risk Committee meetings.

Peninsula Gateway Academy Trust does have a defined benefit Local Government Pension Scheme deficit of £110,000 (2021 - £841,000).

Safeguarding:

The number of pupils on plans has increased throughout the academic year. The school has increased its number of Designated Safeguarding Leads to four. The DSLs remain on high alert to deal with safeguarding matters and to liaise with Social Services. A robust Safeguarding policy is in place in conjunction with further safeguarding policies for the school which are shared with staff and parents

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Fundraising

Fundraising for Peninsula Gateway Academy Trust is supported through the activities of the PTA. In addition, the school organises its own fundraising events. Due to the COVID pandemic the PTA was unable to be as active as usual however they are looking to address this during this academic year. The PTA was able to support the school with the cost of some activities and trips.

The School Pupil Leadership Team also carried out fund raising for school enrichment. The Academy Trust also applied for, and was successful, in receiving some funding from the Co-operative to support in School Pupil Leadership Team fundraising for the provision of a new Forest School. Accumulative funds to date are £262 with the final installment expected in October 2022.

Streamlined energy and carbon reporting

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

The School will continue its drive to improve the achievements of all pupils, not only in academic subjects but also in extracurricular activities and in essential life skills, so as to increase the number of opportunities open to its pupils when they move on to secondary education.

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

The Academy continues to look at ways of how to expand the MAT and the Principal and the Chair of Trustees have continued their communication with the Regional Schools Commissioner around the expansion of Peninsula Gateway Academy Trust. They also meet periodically with the head of school services to review pupil numbers and school expansion sites locally. In addition to this the Principal forms wider collaborations through both *networking and the local heads consortium*.

Funds held as custodian on behalf of others

During the period from 1 September 2021 to 31 August 2022 Peninsula Gateway Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Disclosure of information to auditors

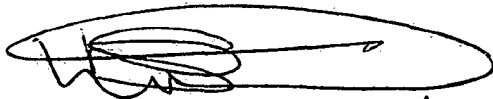
Insofar as the Trustees are aware:

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

Auditors

The auditors, Xeinadin Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 5 December 2022 and signed on its behalf by:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, enclosed within an oval shape.

N A Shorthouse
(Chair of Trustees)

PENINSULA GATEWAY ACADEMY TRUST
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Governance Statement

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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.

PENINSULA GATEWAY ACADEMY TRUST
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Governance Statement (continued)

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 6 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
N A Shorthouse, Chair	6	6
M Kilgallon, Vice Chair	4	6
S Lamb	6	6
C Lemon	6	6
C Hallatt	5	6
J North	5	6
V Diddams	6	6
S Mackie	5	6
H O'Neil	4	4
L Cornwell, Vice Chair	1	2

Governance reviews:

During the year from September 2021 to August 2022 the following changes to the Board have occurred:

Appointments	Resignations
J North	C Hallatt
H O'Neil	L Cornwell

Conflicts of interest

Prior to the start of each academic year, at our annual business meeting, all trustees are asked to complete a declaration of business interests. This is held on file and is also placed onto the website for ease of reference.

At the start of each meeting held for the trust, those attending are asked to declare any business interests that might be relevant for that specific meeting.

The business interest forms are reviewed and signed off by the Chair of the Trust or his/her designate.

Meetings

As trustees are also governors of the school and Peninsula Gateway Academy Trust, meetings are held in accordance with government guidelines. In addition to this, we also hold specific meetings to review any finance, risk or audit matters arising from any internal/external reports. Regular curriculum and inclusions meetings take place, in line with specific data information, pertaining to the attainment, growth and abilities for all children covering the curriculum.

The Chair, CEO and School Business Manager meet monthly to review the spend of the trust and to highlight any areas that may cause financial concerns, this ensures that we can capture any anomalies in time and take the appropriate action.

Both the Chair and CEO also have regular meetings/discussions as and when necessary, pertaining to matters relating to the trust and school.

The trust constantly reviews the governance, with all trustees completing an annual skills audit in line with the National Governance Association guidelines. Governance is also discussed on a regular basis with the Senior Leadership Team and members of the trust.

The Audit Committee is part of the Finance, Audit and Resources Committee and is chaired, separately, by a Parent Governor who works within risk and compliance, which ensures that there is a wealth of knowledge and experience shared within the committee.

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Governance Statement (continued)

Governance (continued)

The Finance, Audit and Resources Committee is held three times a year and the purpose of the Finance, Audit and Resources Committee is to monitor the financial performance of the whole school, carry out strategic financial planning, ensure that regular independent audits are carried out and any reports actioned, and to advise the Governing Body in order for its statutory duties to be discharged.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J North	3	3
N A Shorthouse	3	3
C Lemon	1	3
H O'Neil	2	3
S Mackie	2	3

The audit committee is part of the Finance, Audit and Risk Committee and its purpose is to monitor the Risk Register which will lead the Internal Scrutiny by the auditors. The attendance at meetings is also that of the Finance, Audit and Risk Committee as stated above.

The Budget Monitoring Committee is also a sub-committee of the main board of trustees. Its purpose is to monitor the budget on a monthly basis (during the months when there is no Finance, Audit and Resources Committee meeting) and report back to the Finance, Audit and Resources Committee.

Only 4 meetings were held throughout the year but, for an additional 2 months, reports were provided of the budget position.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
N Shorthouse	4	4
J North	4	4

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Governance Statement (continued)

Review of value for money

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

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

- **Improving Educational Results:**
Our resources are directed where they will be most effective in meeting education requirements, for example:
 - Robust tracking systems to record and monitor all aspects of pupil data including progress.
 - Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development.
 - A robust cycle of lesson observations and work scrutinies to ensure a high quality education.
 - Funding is allocated to optimal effect, for example, providing targeted support and interventions for pupils such as small group tuition, individual pupil support, after school clubs and additional curricular activities.
 - Working collaboratively with other schools, sharing good practice to improve CPD and improve standards.
 - Implement strategies to improve attendance and attainment.
 - Provide increased pastoral and speech and language support for identified children.
 - Despite the closure of school there was still evidence of attainment and progress within all key stage groups due to implementation of bespoke learning packages, both online and resource packs.
 - Catch up funding was used to employ a Teacher, in conjunction with the National Tutoring Programme, to support pupils in need of support.
 - Remote pastoral support was provided for vulnerable families.
 - The additional work of the Pupil Premium Tutor resulted in positive progress results for disadvantaged children.
- **Reviewing purchasing:**
 - Spending proposals for amounts in excess of £5,000 are priced and presented to governors, challenged appropriately and recorded in the minutes.
 - Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the academy and tenders/quotations are obtained where appropriate to ensure value for money.
 - Continue to work with forum groups and other education providers to improve sharing of good practice and joint procurement of services.
 - Constant comparisons of items purchased to ensure value for money.
- **Focused:**
 - Pupil premium was used for enrichment activities for disadvantaged children.
 - Outdoor gym equipment was purchased from the Sport Premium and is now widely used by all pupils.
 - The Covid catch up grant was used to employ a Teacher, in conjunction with the National Tutoring Programme, to support pupils in need of support.

PENINSULA GATEWAY ACADEMY TRUST
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Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

During the year, a more comprehensive Risk Register has been put in place to further monitor risks. The register is continually reviewed by the School Business Manager and the Finance, Audit and Resources Committee at their meetings. The Risk Register is used by the internal auditors to formulate areas of review for the Internal Scrutiny Report.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance, Audit and Resources 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
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from UHY Hacker Young

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

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

PENINSULA GATEWAY ACADEMY TRUST
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Governance Statement (continued)

The risk and control framework (continued)

The auditor provided an annual report to the board of trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The report outlines the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

In light of the pandemic one visit took place during the year instead of the standard 2-3 visits a year.

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 executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 5 December 2022 and signed on their behalf by:



N A Shorthouse
Chair of Trustees



J North
Accounting Officer

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Peninsula Gateway Academy Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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.



J North
Accounting Officer
Date: 5 December 2022

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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 5 December 2022 and signed on its behalf by:



N A Shorthouse
(Chair of Trustees)

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Peninsula Gateway Academy Trust (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

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

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

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

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.

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

As part of an audit in accordance with ISAs (UK), exercise professional judgement and maintain professional scepticism through the audit. We also:

1. Assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud may occur.
2. Held discussions with the client regarding their policies and procedures on compliance with laws and regulations.
3. Held discussions with the client regarding their policies and procedures on fraud risks, including knowledge of any actual suspected or alleged fraud.

We consider the entity's controls effective in identifying fraud. We do not consider there to be significant difficulty in detecting irregularities.

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. This description forms part of our Auditors' report.

Use of our report

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Xeinadin Audit Limited

Chartered Accountants

Statutory Auditors

Sittingbourne

Kent

ME10 5BH

Date: 7 December 2022

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 1 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Peninsula Gateway Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Peninsula Gateway Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Peninsula Gateway Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Xeinadin Audit Limited
Reporting Accountant
Chartered Accountants
Sittingbourne

Date: 7 December 2022

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	1,081	-	6,295	7,376	9,342
Other trading activities		74,180	-	-	74,180	46,951
Investments	7	36	-	-	36	530
Charitable activities		-	1,038,042	-	1,038,042	1,023,892
Total income		75,297	1,038,042	6,295	1,119,634	1,080,715
Expenditure on:						
Raising funds		38,469	-	-	38,469	17,731
Charitable activities		-	1,155,907	61,305	1,217,212	1,226,314
Total expenditure		38,469	1,155,907	61,305	1,255,681	1,244,045
Net income/(expenditure)		36,828	(117,865)	(55,010)	(136,047)	(163,330)
Transfers between funds	18	(34,439)	25,404	9,035	-	-
Net movement in funds before other recognised gains/(losses)		2,389	(92,461)	(45,975)	(136,047)	(163,330)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	823,000	-	823,000	(116,000)
Net movement in funds		2,389	730,539	(45,975)	686,953	(279,330)
Reconciliation of funds:						
Total funds brought forward		281,116	(840,539)	1,551,701	992,278	1,271,608
Net movement in funds		2,389	730,539	(45,975)	686,953	(279,330)
Total funds carried forward		283,505	(110,000)	1,505,726	1,679,231	992,278

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

The notes on pages 29 to 55 form part of these financial statements.

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)
Registered number: 08095169

Balance Sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	1,505,726	1,551,701
		<u>1,505,726</u>	<u>1,551,701</u>
Current assets			
Stocks	15	2,600	2,292
Debtors	16	42,547	42,403
Cash at bank and in hand		303,283	312,820
		<u>348,430</u>	<u>357,515</u>
Creditors: amounts falling due within one year	17	(64,925)	(75,938)
Net current assets		<u>283,505</u>	<u>281,577</u>
Total assets less current liabilities		<u>1,789,231</u>	<u>1,833,278</u>
Net assets excluding pension liability		<u>1,789,231</u>	<u>1,833,278</u>
Defined benefit pension scheme liability	24	(110,000)	(841,000)
Total net assets		<u><u>1,679,231</u></u>	<u><u>992,278</u></u>

PENINSULA GATEWAY ACADEMY TRUST

(A company limited by guarantee)

Registered number: 08095169

Balance Sheet (continued)

As at 31 August 2022

	Note	2022 £	2021 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	1,505,726	1,551,701
Restricted income funds	18	-	461
Restricted funds excluding pension asset	18	1,505,726	1,552,162
Pension reserve	18	(110,000)	(841,000)
Total restricted funds	18	1,395,726	711,162
Unrestricted income funds	18	283,505	281,116
Total funds		1,679,231	992,278

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

The financial statements on pages 25 to 55 were approved by the Trustees, and authorised for issue on 05 December 2022 and are signed on their behalf, by:



N A Shorthouse
(Chair of Trustees)

The notes on pages 29 to 55 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	20	(538)	(34,051)
Cash flows from investing activities	21	(8,999)	(94)
Change in cash and cash equivalents in the year		(9,537)	(34,145)
Cash and cash equivalents at the beginning of the year		312,820	346,965
Cash and cash equivalents at the end of the year	22, 23	<u>303,283</u>	<u>312,820</u>

The notes on pages 29 to 55 form part of these financial statements

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. General information

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

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

2.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

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

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

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

Depreciation is provided on the following basis:

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

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

2.7 Stocks

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 cost as detailed in note 17. 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.

2.12 Operating leases

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.13 Pensions

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

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

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

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

2.14 Fund accounting

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

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

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

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 14 for the carrying amount of the property, plant and equipment policy and 2.6 for the useful economic lives for each class of asset.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 24 for further details.

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4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	1,081	-	1,081	2,991
Capital Grants	-	6,295	6,295	6,351
Total 2022	<u>1,081</u>	<u>6,295</u>	<u>7,376</u>	<u>9,342</u>
<i>Total 2021</i>	<u>1,011</u>	<u>8,331</u>	<u>9,342</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2022

5. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	878,839	878,839	829,893
Other DfE/ESFA grants			
Pupil Premium	72,805	72,805	59,938
UFSM	22,283	22,283	26,232
Teachers pay grant	-	-	9,827
Teachers pension grant	-	-	28,874
PE & Sports grant	17,740	17,740	17,800
Supplementary grant	11,917	11,917	-
Others	5,538	5,538	10,725
	<u>1,009,122</u>	<u>1,009,122</u>	<u>983,289</u>
Other Government grants			
Special educational projects	8,049	8,049	14,667
Other government grants	4,126	4,126	6,513
	<u>12,175</u>	<u>12,175</u>	<u>21,180</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up/recovery Premium	7,467	7,467	16,720
Other DfE/ESFA COVID-19 funding	9,278	9,278	2,703
	<u>16,745</u>	<u>16,745</u>	<u>19,423</u>
	<u>1,038,042</u>	<u>1,038,042</u>	<u>1,023,892</u>
	<u>1,038,042</u>	<u>1,038,042</u>	<u>1,023,892</u>
Total 2021	<u>1,023,892</u>	<u>1,023,892</u>	

The academy trust received £7,467 (2021 - £16,720) of funding for catch-up/recovery premium and costs incurred in respect of this funding totalled £7,467 (2021 - £16,259).

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Notes to the Financial Statements
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6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
School trips	33,977	33,977	23,862
Uniform sales	1,695	1,695	1,125
After school clubs	16,442	16,442	5,870
Other income	22,066	22,066	16,094
Total 2022	<u>74,180</u>	<u>74,180</u>	<u>46,951</u>
<i>Total 2021</i>	<u>46,951</u>	<u>46,951</u>	

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	<u>36</u>	<u>36</u>	<u>530</u>
<i>Total 2021</i>	<u>530</u>	<u>530</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2022

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on fundraising trading activities:					
Fundraising expenses	-	-	38,469	38,469	17,731
Educational operations:					
Direct costs	658,491	-	24,549	683,040	703,304
Allocated support costs	238,862	101,510	193,800	534,172	523,010
Total 2022	897,353	101,510	256,818	1,255,681	1,244,045
Total 2021	901,301	122,229	220,515	1,244,045	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	683,040	534,172	1,217,212	1,226,314
Total 2021	703,304	523,010	1,226,314	

PENINSULA GATEWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	650,470	650,470	648,673
Educational supplies	18,033	18,033	15,265
Other direct costs	6,516	6,516	13,793
Agency costs	8,021	8,021	22,573
Staff restructuring costs	-	-	3,000
	<u>683,040</u>	<u>683,040</u>	<u>703,304</u>
<i>Total 2021</i>	<u>703,304</u>	<u>703,304</u>	

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
LGPS cost	14,000	14,000	10,000
Staff costs	238,862	238,862	227,055
Depreciation	61,305	61,305	60,097
Technology costs	32,079	32,079	44,111
Premises costs	64,846	64,846	85,648
Other support costs	93,887	93,887	78,312
Governance costs	29,193	29,193	17,787
	<u>534,172</u>	<u>534,172</u>	<u>523,010</u>
<i>Total 2021</i>	<u>523,010</u>	<u>523,010</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2022

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	61,305	60,097
Fees paid to Xeinadin Audit Limited and its associates for:		
- audit	5,000	6,100
- other services	7,481	6,641
	<u>7,481</u>	<u>6,641</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	614,617	625,914
Social security costs	57,548	54,474
Pension costs	217,167	195,340
	<u>889,332</u>	<u>875,728</u>
Agency staff costs	8,021	22,573
Staff restructuring costs	-	3,000
	<u>897,353</u>	<u>901,301</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	-	3,000
	<u>-</u>	<u>3,000</u>

b. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £NIL (2021 - £3,000).

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Notes to the Financial Statements
For the Year Ended 31 August 2022

11. Staff (continued)

c. Staff numbers

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

	2022	2021
	No.	No.
Teaching	8	9
Support and admin	16	17
Management	4	6
	28	32

d. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	1

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £235,036 (2021 £293,065).

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Notes to the Financial Statements
For the Year Ended 31 August 2022

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£	£
J North (appointed 1 September 2021)	Remuneration	60,000 - 65,000	-
	Pension contributions paid	15,000 - 20,000	-
R Boyjoonauth (resigned 31 August 2021)	Remuneration	-	65,000 - 70,000
	Pension contributions paid	-	15,000 - 20,000
A Link (resigned 14 September 2020)	Remuneration	-	0 - 5,000
	Pension contributions paid	-	0 - 5,000
M Kunwor (resigned 31 December 2020)	Remuneration	-	15,000 - 20,000
	Pension contributions paid	-	0 - 5,000
V Diddams	Remuneration	45,000 - 50,000	25,000 - 30,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
S Mackie	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2022, expenses totalling £572 were reimbursed or paid directly to 2 Trustees (2021 - £Nil to no Trustee). The expenses reimbursed relate to academy expenditure paid for by the Trustees.

13. Trustees' and Officers' insurance

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

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Notes to the Financial Statements
For the Year Ended 31 August 2022

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	1,829,060	194,824	81,384	2,105,268
Additions	4,176	2,602	8,552	15,330
At 31 August 2022	<u>1,833,236</u>	<u>197,426</u>	<u>89,936</u>	<u>2,120,598</u>
Depreciation				
At 1 September 2021	330,165	150,504	72,898	553,567
Charge for the year	36,664	19,332	5,309	61,305
At 31 August 2022	<u>366,829</u>	<u>169,836</u>	<u>78,207</u>	<u>614,872</u>
Net book value				
At 31 August 2022	<u>1,466,407</u>	<u>27,590</u>	<u>11,729</u>	<u>1,505,726</u>
At 31 August 2021	<u>1,498,895</u>	<u>44,320</u>	<u>8,486</u>	<u>1,551,701</u>

15. Stocks

	2022 £	2021 £
Uniform stock	<u>2,600</u>	<u>2,292</u>

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	2,468	6,390
VAT debtor	5,310	9,429
Prepayments and accrued income	34,769	26,584
	<u>42,547</u>	<u>42,403</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2022

17. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	12,308	19,176
Other taxation and social security	13,874	13,837
Other creditors	15,991	15,295
Accruals and deferred income	22,752	27,630
	64,925	75,938
	2022	2021
	£	£
Deferred income at 1 September 2021	18,408	20,923
Resources deferred during the year	13,223	18,408
Amounts released from previous periods	(18,408)	(20,923)
	13,223	18,408

At the balance sheet date the Academy Trust was holding funds received in advance of the 2022-23 academic year in respect of Universal Infant Free School Meals.

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Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General	281,116	75,297	(38,469)	(34,439)	-	283,505
Restricted general funds						
General Annual Grant (GAG)	461	878,839	(904,704)	25,404	-	-
Pupil Premium	-	72,805	(72,805)	-	-	-
Universal Infant Free School Meals	-	22,283	(22,283)	-	-	-
PE & Sports grant	-	17,740	(17,740)	-	-	-
Other DfE/ESFA grants	-	5,538	(5,538)	-	-	-
Supplementary grant	-	11,917	(11,917)	-	-	-
Special educational projects	-	8,049	(8,049)	-	-	-
Other government grants	-	4,126	(4,126)	-	-	-
Covid-19 - catchup/recovery premium	-	7,467	(7,467)	-	-	-
Covid-19 - other DfE/ESFA	-	9,278	(9,278)	-	-	-
Pension reserve	(841,000)	-	(92,000)	-	823,000	(110,000)
	(840,539)	1,038,042	(1,155,907)	25,404	823,000	(110,000)

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Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Statement of funds (continued)

Restricted fixed asset funds

Net Book Value of owned fixed assets

	1,551,701	-	(61,305)	15,330	-	1,505,726
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DfE/ESFA

Capital Grants

	-	6,295	-	(6,295)	-	-
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	1,551,701	6,295	(61,305)	9,035	-	1,505,726
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Total Restricted funds

	711,162	1,044,337	(1,217,212)	34,439	823,000	1,395,726
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Total funds

	992,278	1,119,634	(1,255,681)	-	823,000	1,679,231
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The specific purposes for which the funds are to be applied are as follows:

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

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

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

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

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

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

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

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Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General	323,765	48,492	(17,731)	(73,410)	-	281,116
Restricted general funds						
General Annual Grant (GAG)	-	829,893	(902,679)	72,786	-	-
Pupil Premium	-	59,938	(59,938)	-	-	-
Universal Infant Free School Meals	-	26,232	(26,232)	-	-	-
Teachers pay grant	-	9,827	(9,827)	-	-	-
Teachers pension grant	-	28,874	(28,874)	-	-	-
PE & Sports grant	-	17,800	(17,800)	-	-	-
Other DfE/ESFA grants	-	10,725	(10,725)	-	-	-
Supplementary grant	-	14,667	(14,667)	-	-	-
Special educational projects	-	6,513	(6,513)	-	-	-
Other government grants	-	16,720	(16,259)	-	-	461
Covid-19 - catchup/recovery premium	-	2,703	(2,703)	-	-	-
Pension reserve	(655,000)	-	(70,000)	-	(116,000)	(841,000)
	<u>(655,000)</u>	<u>1,023,892</u>	<u>(1,166,217)</u>	<u>72,786</u>	<u>(116,000)</u>	<u>(840,539)</u>

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Notes to the Financial Statements
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18. Statement of funds (continued)

Restricted fixed asset funds

Net Book Value
of owned fixed
assets

DfE/ESFA

Capital Grants

1,602,843	1,980	(60,097)	6,975	-	1,551,701
-	6,351	-	(6,351)	-	-
<u>1,602,843</u>	<u>8,331</u>	<u>(60,097)</u>	<u>624</u>	<u>-</u>	<u>1,551,701</u>

Total Restricted funds

947,843 1,032,223 (1,226,314) 73,410 (116,000) 711,162

Total funds

1,271,608 1,080,715 (1,244,045) - (116,000) 992,278

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	1,505,726	1,505,726
Current assets	283,505	64,925	-	348,430
Creditors due within one year	-	(64,925)	-	(64,925)
Provisions for liabilities and charges	-	(110,000)	-	(110,000)
Total	<u>283,505</u>	<u>(110,000)</u>	<u>1,505,726</u>	<u>1,679,231</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	1,551,701	1,551,701
Current assets	281,116	76,399	-	357,515
Creditors due within one year	-	(75,938)	-	(75,938)
Provisions for liabilities and charges	-	(841,000)	-	(841,000)
Total	281,116	(840,539)	1,551,701	992,278

20. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(136,047)	(163,330)
Adjustments for:		
Depreciation	61,305	60,097
Interest receivable	(36)	(530)
(Increase)/decrease in stocks	(308)	976
Increase in debtors	(144)	(10,363)
(Decrease)/increase in creditors	(11,013)	17,430
Capital grants from DfE and other capital income	(6,295)	(8,331)
Pension adjustment	92,000	70,000
Net cash used in operating activities	(538)	(34,051)

21. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	36	530
Purchase of tangible fixed assets	(15,330)	(8,955)
Capital grants from DfE Group	6,295	6,351
Capital funding received from sponsors and others	-	1,980
Net cash used in investing activities	(8,999)	(94)

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Notes to the Financial Statements
For the Year Ended 31 August 2022

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	303,283	312,820
Total cash and cash equivalents	303,283	312,820

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	312,820	(9,537)	303,283
	312,820	(9,537)	303,283

24. Pension commitments

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

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

Contributions amounting to £15,990 were payable to the schemes at 31 August 2022 (2021 - £15,278) and are included within creditors.

Teachers' Pension Scheme

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

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

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For the Year Ended 31 August 2022

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £92,167 (2021 - £94,293).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £60,000 (2021 - £53,000), of which employer's contributions totalled £47,000 (2021 - £41,000) and employees' contributions totalled £13,000 (2021 - £12,000). The agreed contribution rates for future years are 22.5 per cent for employers and variable per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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Notes to the Financial Statements
For the Year Ended 31 August 2022

24. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	1,044	1,672
Discount rate -0.1%	1,094	1,755
Mortality assumption - 1 year increase	1,099	1,781
Mortality assumption - 1 year decrease	1,039	1,648
CPI rate +0.1%	1,092	1,749
CPI rate -0.1%	1,047	1,678

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24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	628,000	570,000
Gilts	6,000	5,000
Property	113,000	90,000
Cash and other liquid assets	16,000	25,000
Absolute return fund	69,000	61,000
Other bonds	127,000	121,000
Total market value of assets	959,000	872,000

The actual return on scheme assets was £-13,000 (2021 - £108,000).

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

	2022 £	2021 £
Current service cost	(125,000)	(100,000)
Interest income	15,000	12,000
Interest cost	(29,000)	(22,000)
Total amount recognised in the Statement of Financial Activities	(139,000)	(110,000)

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

	2022 £	2021 £
At 1 September	1,713,000	1,384,000
Current service cost	125,000	100,000
Interest cost	29,000	22,000
Employee contributions	13,000	12,000
Actuarial (gains)/losses	(851,000)	212,000
Benefits paid	40,000	(17,000)
At 31 August	1,069,000	1,713,000

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	872,000	729,000
Interest income	15,000	12,000
Actuarial (losses)/gains	(28,000)	96,000
Employer contributions	47,000	40,000
Employee contributions	13,000	12,000
Benefits paid	40,000	(17,000)
At 31 August	959,000	872,000

25. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	3,036	3,036
Later than 1 year and not later than 5 years	5,819	8,855
	8,855	11,891

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2022 £	2021 £
Operating lease rentals	3,036	3,036

26. 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.

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27. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. During the year, one related party transaction took place which was not declared to the ESFA inline with the requirements of the Academy Trust Handbook.

During the year, the entity purchased goods/services from Medway Early Years Limited for £707, a related party of Susan Lamb, a trustee. No amounts were outstanding as at 31 August 2022. No such transactions took place in the prior year.

During the prior year, the entity purchased goods/services from Mask Flowers for £75, a related party of Michael Kilgallon, a trustee. No amounts were outstanding as at 31 August 2021. No such transactions took place in the current year.