

Company Registration Number: 08095169 (England and Wales)

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2017

FRIDAY



A71CIKEH

A07

09/03/2018

#122

COMPANIES HOUSE

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of Trustees' responsibilities	14
<i>Independent auditors' report on the financial statements</i>	15 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities incorporating income and expenditure account	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 44

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Reference and Administrative Details
For the year ended 31 August 2017

Members	Anthony Osborne Ruth Lindsay Rishi Boyjoonauth
Trustees	Ruth Lindsay, Chair ¹ Sue Hunt (resigned 31 August 2017) ¹ Rishi Boyjoonauth, Principal ¹ Steve Carpenter (resigned 31 August 2017) ¹ Louise Coppin, Vice Chair Chris Kember (resigned 22 September 2017) ¹ Michelle Kunwor Amanda Link, Staff Trustee Ruth Pike Tina Reeves ¹ members of the Finance and Strategic Planning 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	Rishi Boyjoonauth, Principal Michelle Kunwor, Vice Principal Diane Martin, School Business Manager Vicky Diddhams, Mathematics Co-ordinator Iris Homer, English Co-ordinator Carol Laker, SENCo Diane Martin, School Business Manager
Independent auditors	Williams Giles Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Barclays Bank 263-265 High Street Chatham Kent ME4 4BZ

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the year ended 31 August 2017

Advisers (continued)

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Trustees' Report
For the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Chattenden, Rochester. It has a pupil capacity of 210 and had a roll of 209 in the school census in January 2017.

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

Structure, governance and management

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 purpose of company law.

The charitable company is known as Peninsula Gateway Academy Trust, which runs Chattenden Primary School.

Details of the Trustees who served during the year 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 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.

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

The processes for appointing or electing the various types of Trustees at Peninsula Gateway Academy Trust are as follows:

1. Appointed Trustees – The Members of Peninsula Gateway Academy Trust have the right to appoint up to TEN Trustees. Such appointments are usually made following consultation by the Members with the Trustees of Chattenden Primary School.
2. Parent Trustees – The Articles of Association require that there shall be a minimum of TWO Parent Trustees. Parents of registered pupils at the School are eligible to stand as individuals for election as a Parent Trustee. They are elected by other parents at the school as individuals who are representative of

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2017

the parental body. Suitable procedures have been put in place for the conduct of Parent Trustee elections. If insufficient parents stand for election the Governing Body must appoint Parent Trustees to bring their number up to that required by the Articles of Association. Such appointed Parent Trustees would preferably be parents of registered pupils at the School. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent of a child of compulsory school age.

3. Staff Trustees – A minimum of TWO Staff Governors are elected by the School staff as individuals, representative of the staff of the school. Both Teaching and Support Staff paid to work at the School are eligible to be appointed as Trustees but if no member of the Support Staff stands for election then a Teacher can be elected to take that place.

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

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

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

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

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

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

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

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

Following their appointment/election, all new Trustees receive an introduction to their role from the Principal and the Induction Trustee. An Induction Pack is provided to all new Trustees and the introduction also includes tours of the school and the opportunity to meet other members of the school staff.

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

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

f. Organisational structure

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2017

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 their job description and guidance from the Academy's HR provider.

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

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.

Objectives and Activities

a. Objectives, strategies and activities

The principal objects and aims of the charitable company is the operation of Chattenden Primary School to provide education for pupils between the ages of 4 and 11.

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

Therefore, Chattenden Primary School aims to encourage pupils to:

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2017

- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens
- Display self-discipline and proper regard for authority
- Foster good behaviour and avoid all forms of bullying

b. Public benefit

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

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

Strategic report

Achievements and performance

a. Key performance indicators

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

2016-2017	
Reading	83%
Writing	77%
Maths	83%

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

2016-2017	School	National
Reading	77%	71%
Writing	84%	76%
GPAS	97%	77%
Maths	90%	71%
Combined	68%	61%

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

b. Going concern

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2017

Financial review

a. Reserves policy

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

The Trustees' Finance & Strategic Planning Committee review these reserve levels and believes that they should provide sufficient working capital to cover the delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of approximately 10% of GAG as an appropriate cushion. As at 31 August 2017 the School had GAG reserves of £46k and £277k of unrestricted funds.

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 these cash funds.

c. Principal risks and uncertainties

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

Expenditure for the period covered by this report was covered by the GAG received from the DfE 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 £277k. Restricted funds total £1,383k.

Most of the school's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) 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.

d. Principal Risks and Uncertainties

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

The management of the financial risks is as follows:

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2017

Peninsula Gateway Academy Trust does have a defined benefit Local Government Pension scheme deficit of £395k.

Plans for future periods

a. Future developments

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

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

Funds held as custodian

During the period from 1 September 2016 to 31 August 2017 Peninsula Gateway Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance and Premises committee.

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



Ruth Lindsay
Chair of Trustees



Rishi Boyjoonauth
Trustee

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Peninsula Gateway Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Rishi Boyjoonauth	4	4
Steve Carpenter	3	4
Louise Coppin	4	4
Sue Hunt	3	4
Chris Kember	4	4
Michelle Kunwor	4	4
Ruth Lindsay	4	4
Amanda Link, Staff Trustee	4	4
Ruth Pike	4	4
Tina Reeves	3	4

There have been three resignations from the board of trustees. Mr Steve Carpenter and Mrs Sue Hunt resigned on 31 August 2017 and Mr Chris Kember resigned on 22 September 2017. These posts are in the process of being filled as Parent Governor Elections are taking place.

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

The board regularly audit their own skill set to highlight areas of development and required training. Mock inspections are also conducted which contribute towards judging the effectiveness and impact of governance.

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

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

The Board of Trustees underwent an external evaluation. As part of this evaluative process some elements of governance were considered and reviewed.

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

Next year's focus will be expanding the MAT and augmenting financial resources. Sub committees have been set up for these.

An external review of governance is planned for 2018.

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Governance Statement (continued)

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ruth Lindsay, Chair	3	3
Sue Hunt	2	3
Chris Kember	3	3
Steve Carpenter	1	3
Rishi Boyjoonauth, Principal	3	3

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 to ensure financial intentions, spending and auditing are on track.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ruth Lindsay	4	4
Sue Hunt	4	4
Chris Kember	3	4
Rishi Boyjoonauth	3	4

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by:

Improving Educational Results:

Our resources are directed where they will be most effective in meeting educational requirements, for example:

- Robust tracking systems to record and monitor all aspects of pupil data including progress.
- Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development.
- Prove a programme of lesson observations and work scrutinies.
- Funding is allocated to optimal effect, for example, providing targeted support and interventions for pupils such as small group tuition, individual pupil support, after school clubs and additional curricular activities.
- Working collaboratively with other schools, sharing good practice to improve CPD and improve standards. Implement strategies to improve attendance and end of key stage results.
- Provide increased pastoral and speech and language support for identified children.

Reviewing purchasing:

- Spending proposals for amounts in excess of £5,000 are priced and presented to governors, challenged appropriately and recorded in minutes.
- Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the academy and tenders/quotations are obtained where appropriate to ensure value for money.
- Continue to work with forum groups and other education providers to improve sharing of good practice and joint procurement of services.

The Purpose of the System of Internal Control

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Governance Statement (continued)

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Peninsula Gateway Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles Limited as internal auditor.

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

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

On a termly basis, the internal auditor reports to the board of trustees through the Finance and Strategic Planning Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Governance Statement (continued)

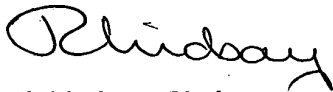
Review of Effectiveness

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

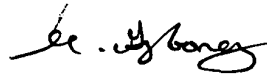
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Strategic Planning Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 30th November 2017 and signed on their behalf, by:



Ruth Lindsay, Chair
Chair of Trustees



R Boyjoonauth
Accounting Officer

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Peninsula Gateway Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



R Boyjoonauth
Accounting Officer

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the year ended 31 August 2017

The Trustees (who act as governors of Peninsula Gateway Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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

and signed on its behalf by:



Ruth Lindsay, Chair
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 for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Peninsula Gateway Academy Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy 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' remunerations specified by law 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's or to cease operations, or have no realistic alternative but to do so.

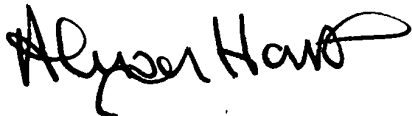
PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Peninsula Gateway Academy Trust

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants

Statutory Auditor

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

Date: 8 December 2017

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Independent Reporting Accountants' 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 21 March 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Peninsula Gateway Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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 Accountants' Assurance Report on Regularity to Peninsula Gateway Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Limited
Chartered Accountants
Statutory Auditor
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 8 December 2017

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the year ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	3,961	-	6,329	10,290	7,920
Charitable activities	3	-	982,976	-	982,976	991,568
Other trading activities	4	61,145	-	-	61,145	59,821
Investments	5	1,225	-	-	1,225	1,063
Total income		66,331	982,976	6,329	1,055,636	1,060,372
Expenditure on:						
Raising funds:						
Voluntary income	6	46,205	-	-	46,205	22,917
Charitable activities		-	1,014,664	64,205	1,078,869	1,056,167
Total expenditure	9	46,205	1,014,664	64,205	1,125,074	1,079,084
Net income / (expenditure) before transfers		20,126	(31,688)	(57,876)	(69,438)	(18,712)
Transfers between Funds	19	-	(27,070)	27,070	-	-
Net income / (expenditure) before other recognised gains and losses		20,126	(58,758)	(30,806)	(69,438)	(18,712)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	73,000	-	73,000	(197,000)
Net movement in funds		20,126	14,242	(30,806)	3,562	(215,712)
Reconciliation of funds:						
Total funds brought forward		257,116	(363,124)	1,762,784	1,656,776	1,872,488
Total funds carried forward		277,242	(348,882)	1,731,978	1,660,338	1,656,776

The notes on pages 23 to 44 form part of these financial statements.


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

Balance Sheet
As at 31 August 2017

	Note	£	2017	£	£	2016	£
Fixed assets							
Tangible assets	15			1,731,978			1,762,784
Current assets							
Stocks	16		1,106			993	
Debtors	17		42,783			39,283	
Cash at bank and in hand			356,119			322,063	
			<u>400,008</u>			<u>362,339</u>	
Creditors: amounts falling due within one year	18		<u>(76,648)</u>			<u>(58,347)</u>	
Net current assets				<u>323,360</u>			<u>303,992</u>
Total assets less current liabilities				<u>2,055,338</u>			<u>2,066,776</u>
Defined benefit pension scheme liability	23			<u>(395,000)</u>			<u>(410,000)</u>
Net assets including pension scheme liabilities				<u><u>1,660,338</u></u>			<u><u>1,656,776</u></u>
Funds of the academy							
Restricted income funds:							
Restricted income funds	19		46,118			46,876	
Restricted fixed asset fund	19		1,731,978			1,762,784	
Restricted income funds excluding pension liability			<u>1,778,096</u>			<u>1,809,660</u>	
Pension reserve			<u>(395,000)</u>			<u>(410,000)</u>	
Total restricted income funds				<u>1,383,096</u>			<u>1,399,660</u>
Unrestricted income funds	19			<u>277,242</u>			<u>257,116</u>
Total funds				<u><u>1,660,338</u></u>			<u><u>1,656,776</u></u>

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:


R M Lindsay
Chair of Trustees


R Boyjoonauth
Accounting Officer

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>59,901</u>	<u>69,533</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,225	1,063
Purchase of tangible fixed assets		(33,399)	(8,366)
Capital grants from DfE/ESFA		<u>6,329</u>	<u>6,295</u>
Net cash used in investing activities		<u>(25,845)</u>	<u>(1,008)</u>
Change in cash and cash equivalents in the year		34,056	68,525
Cash and cash equivalents brought forward		<u>322,063</u>	<u>253,538</u>
Cash and cash equivalents carried forward	22	<u><u>356,119</u></u>	<u><u>322,063</u></u>

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies

Peninsula Gateway Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Chattenden Primry School, Chattenden Lane, Chattenden, Rochester, Kent, ME38LF. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Peninsula Gateway Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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 EFA. The basis for the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

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 incorporating income and expenditure account.

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

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

1.7 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 Bank.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account 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 2017

1. Accounting Policies (continued)

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1.13 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Taxation

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.15 Pensions

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

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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	3,961	-	-	3,961	1,625
Capital Grants	-	-	6,329	6,329	6,295
	<u>3,961</u>	<u>-</u>	<u>6,329</u>	<u>10,290</u>	<u>7,920</u>
<i>Total 2016</i>	<u>1,625</u>	<u>-</u>	<u>6,295</u>	<u>7,920</u>	

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	853,817	853,817	857,355
Other DfE/ESFA grants	-	12,832	12,832	12,303
Pupil premium	-	71,900	71,900	86,230
Universal Infant Free School Meals	-	32,557	32,557	30,590
	<u>-</u>	<u>971,106</u>	<u>971,106</u>	<u>986,478</u>
Other government grants				
Local government grants	-	11,870	11,870	5,090
	<u>-</u>	<u>11,870</u>	<u>11,870</u>	<u>5,090</u>
	<u>-</u>	<u>982,976</u>	<u>982,976</u>	<u>991,568</u>
<i>Total 2016</i>	<u>-</u>	<u>991,568</u>	<u>991,568</u>	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Uniform sales	429	-	429	678
School trips	17,433	-	17,433	12,290
After school clubs	16,359	-	16,359	8,711
Other income	26,924	-	26,924	38,142
	<u>61,145</u>	<u>-</u>	<u>61,145</u>	<u>59,821</u>
<i>Total 2016</i>	<u>59,821</u>	<u>-</u>	<u>59,821</u>	

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	1,225	-	1,225	1,063
<i>Total 2016</i>	1,063	-	1,063	

6. Costs of generating voluntary income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Uniform	24	-	24	1,247
School trips	19,182	-	19,182	14,014
After school clubs	12,914	-	12,914	6,569
Other costs	14,085	-	14,085	1,087
	46,205	-	46,205	22,917
<i>Total 2016</i>	22,917	-	22,917	

7. Direct costs

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	32,336	32,336	55,878
Staff development	10,629	10,629	10,759
Educational consultancy	860	860	-
Staff restructuring costs	-	-	10,621
Supply costs	35,245	35,245	9,225
Wages and salaries	469,603	469,603	491,499
National insurance	34,180	34,180	31,021
Pension cost	58,774	58,774	78,450
	641,627	641,627	687,453
<i>At 31 August 2016</i>	687,453	687,453	

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

8. Support costs

	Educational operations	Total 2017	Total 2016
LGPS costs	8,000	8,000	7,000
Maintenance of premises and equipment	13,865	13,865	19,061
Cleaning	11,914	11,914	11,117
Rent & rates	3,311	3,311	4,478
Light & heat	13,166	13,166	12,620
Insurance	4,140	4,140	5,100
Security & transport	4,791	4,791	1,355
Catering	31,350	31,350	33,642
Computer costs	18,972	18,972	21,118
Other support costs	21,648	21,648	23,640
Governance costs	25,302	25,302	24,954
Wages and salaries	114,733	114,733	95,574
National insurance	12,129	12,129	5,820
Pension cost	89,716	89,716	39,278
Depreciation	64,205	64,205	63,957
	<u>437,242</u>	<u>437,242</u>	<u>368,714</u>
<i>At 31 August 2016</i>	<u>368,714</u>	<u>368,714</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£25,302 (2016 - £24,954) included within the table above in respect of Educational operations.

9. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	As restated Total 2016 £
Expenditure on raising voluntary income	-	-	46,205	46,205	22,917
Educational operations:					
Direct costs	597,802	-	43,825	641,627	687,453
Support costs	216,578	48,207	172,457	437,242	368,714
	<u>814,380</u>	<u>48,207</u>	<u>262,487</u>	<u>1,125,074</u>	<u>1,079,084</u>
<i>Total 2016</i>	<u>761,488</u>	<u>54,954</u>	<u>262,642</u>	<u>1,079,084</u>	

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

10. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	64,205	63,957
	<u><u>64,205</u></u>	<u><u>63,957</u></u>

11. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the academy's auditor for the audit of the academy's annual accounts	6,100	6,100
Fees payable to the academy's auditor:		
Audit-related assurance services	1,425	1,925
Internal audit services	1,800	1,800
All other services	4,090	4,090
	<u><u>6,100</u></u>	<u><u>6,100</u></u>

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

12. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	584,336	587,073
Social security costs	46,309	36,841
Operating costs of defined benefit pension schemes	148,490	117,728
	<u>779,135</u>	<u>741,642</u>
Supply teacher costs	35,245	9,225
Staff restructuring costs	-	10,621
	<u><u>814,380</u></u>	<u><u>761,488</u></u>

Staff restructuring costs comprise:

Redundancy payments	-	10,621
	<u><u>-</u></u>	<u><u>10,621</u></u>

Include above are staff redundancy payments totalling £Nil (2016 - £7,821) and a payment to the local authority regarding the early payment of staff pension of £Nil (2016 - £2,800). Individually, the redundancy payments were £Nil (2016 - £659, £4,220 and £2,942).

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

	2017 No.	2016 No.
Teaching	11	10
Support and admin	13	9
Management	2	2
	<u>26</u>	<u>21</u>
	<u><u>26</u></u>	<u><u>21</u></u>

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

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £170,402 (2016: £129,267).

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

13. Trustees' remuneration and expenses

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

		2017	2016
		£	£
T Muggridge	Remuneration		30,000-35,000
	Pension contributions paid		5,000-10,000
M Kunwor	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
A Link	Remuneration	5,000-10,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000
R Boyoonauth	Remuneration	55,000-60,000	
	Pension contributions paid	5,000-10,000	

During the year ended 31 August 2017, expenses totalling £320 (2016: £296) were reimbursed to 2 trustees (2016: 3 trustees).

14. Trustees' and Officers' Insurance

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

15. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	1,794,611	158,209	61,214	2,014,034
Additions	31,224	-	2,175	33,399
At 31 August 2017	<u>1,825,835</u>	<u>158,209</u>	<u>63,389</u>	<u>2,047,433</u>
Depreciation				
At 1 September 2016	147,388	62,070	41,792	251,250
Charge for the year	36,517	15,821	11,867	64,205
At 31 August 2017	<u>183,905</u>	<u>77,891</u>	<u>53,659</u>	<u>315,455</u>
Net book value				
At 31 August 2017	<u>1,641,930</u>	<u>80,318</u>	<u>9,730</u>	<u>1,731,978</u>
At 31 August 2016	<u>1,647,223</u>	<u>96,139</u>	<u>19,422</u>	<u>1,762,784</u>

16. Stocks

	2017 £	2016 £
Uniform stock	<u>1,106</u>	<u>993</u>

17. Debtors

	2017 £	2016 £
Trade debtors	1,210	1,616
VAT Debtors	13,426	5,412
Prepayments and accrued income	28,147	32,255
	<u>42,783</u>	<u>39,283</u>

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	24,319	9,808
Other taxation and social security	12,805	11,685
Other creditors	12,447	10,692
Accruals and deferred income	27,077	26,162
	<u>76,648</u>	<u>58,347</u>

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

18. Creditors: Amounts falling due within one year (continued)

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	19,862	16,451
Resources deferred during the year	20,492	19,862
Amounts released from previous years	(19,862)	(16,451)
Deferred income at 31 August 2017	20,492	19,862

At the balance sheet date the academy trust was holding funds received in advance for school trip income and universal infant free school meals.

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

19. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	257,116	66,331	(46,205)	-	-	277,242
Restricted funds						
General annual grant	46,876	853,817	(827,505)	(27,070)	-	46,118
Pupil Premium	-	71,900	(71,900)	-	-	-
Other DfE/EFA grants	-	32,557	(32,557)	-	-	-
Other Government Grants	-	12,832	(12,832)	-	-	-
Other generated funds	-	11,870	(11,870)	-	-	-
Pension reserve	(410,000)	-	(58,000)	-	73,000	(395,000)
	<u>(363,124)</u>	<u>982,976</u>	<u>(1,014,664)</u>	<u>(27,070)</u>	<u>73,000</u>	<u>(348,882)</u>
Restricted fixed asset fund						
Assets held for depreciation	1,762,784	-	(57,876)	27,070	-	1,731,978
Devolved capital funding	-	6,329	(6,329)	-	-	-
	<u>1,762,784</u>	<u>6,329</u>	<u>(64,205)</u>	<u>27,070</u>	<u>-</u>	<u>1,731,978</u>
Total restricted funds	<u>1,399,660</u>	<u>989,305</u>	<u>(1,078,869)</u>	<u>-</u>	<u>73,000</u>	<u>1,383,096</u>
Total of funds	<u>1,656,776</u>	<u>1,055,636</u>	<u>(1,125,074)</u>	<u>-</u>	<u>73,000</u>	<u>1,660,338</u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	217,524	62,509	(22,917)	-	-	257,116
	<u>217,524</u>	<u>62,509</u>	<u>(22,917)</u>	<u>-</u>	<u>-</u>	<u>257,116</u>

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

19. Statement of funds (continued)

Restricted funds

General annual grant	20,589	857,355	(828,997)	(2,071)	-	46,876
Pupil Premium	-	86,230	(86,230)	-	-	-
Other DfE/EFA grants	-	42,893	(42,893)	-	-	-
Other Government Grants	-	5,090	(5,090)	-	-	-
Pension reserve	(184,000)	-	(29,000)	-	(197,000)	(410,000)
	<u>(163,411)</u>	<u>991,568</u>	<u>(992,210)</u>	<u>(2,071)</u>	<u>(197,000)</u>	<u>(363,124)</u>

Restricted fixed asset fund

Assets held for depreciation	1,818,375	-	(63,957)	8,366	-	1,762,784
Devolved capital funding	-	6,295	-	(6,295)	-	-
	<u>1,818,375</u>	<u>6,295</u>	<u>(63,957)</u>	<u>2,071</u>	<u>-</u>	<u>1,762,784</u>
Total restricted funds	<u>1,654,964</u>	<u>997,863</u>	<u>(1,056,167)</u>	<u>-</u>	<u>(197,000)</u>	<u>1,399,660</u>
Total of funds	<u>1,872,488</u>	<u>1,060,372</u>	<u>(1,079,084)</u>	<u>-</u>	<u>(197,000)</u>	<u>1,656,776</u>

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 to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

20. Analysis of net assets between funds

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Restricted fixed asset fund	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	-	-	1,762,784	1,762,784
Current assets	257,116	105,223	-	362,339
Creditors due within one year	-	(58,347)	-	(58,347)
Provisions for liabilities and charges	-	(410,000)	-	(410,000)
	<u>257,116</u>	<u>(363,124)</u>	<u>1,762,784</u>	<u>1,656,776</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(69,438)	(18,712)
Adjustment for:		
Depreciation charges	64,205	63,957
Dividends, interest and rents from investments	(1,225)	(1,063)
(Increase)/decrease in stocks	(113)	1,091
(Increase)/decrease in debtors	(3,500)	4,472
Increase/(decrease) in creditors	18,301	(2,917)
Capital grants from DfE and other capital income	(6,329)	(6,295)
Defined benefit pension scheme finance cost	58,000	29,000
Net cash provided by operating activities	<u>59,901</u>	<u>69,533</u>

22. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	356,119	322,063
Total	<u>356,119</u>	<u>322,063</u>

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

23. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £58,744 (2016 - £59,728).

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

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £51,000 (2016 - £52,000), of which employer's contributions totalled £39,000 (2016 - £40,000) and employees' contributions totalled £12,000 (2016 - £12,000). The agreed contribution rates for future years are 20.1% for employers and var% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Expected return on scheme assets at 31 August	16.00 %	14.00 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
RPI Increases	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	23	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	801,000	712,000
Discount rate -0.1%	842,000	751,000
Mortality assumption - 1 year increase	837,000	750,000
Mortality assumption - 1 year decrease	805,000	713,000
CPI rate +0.1%	837,000	747,000
CPI rate -0.1%	805,000	715,000

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

23. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	300,000	217,000
Other bonds	41,000	34,000
Corporate bonds	-	-
Property	52,000	45,000
Cash and other liquid assets	14,000	8,000
Gilts	3,000	3,000
Absolute return fund	16,000	14,000
Absolute return fund	16,000	14,000
Total market value of assets	442,000	335,000

The actual return on scheme assets was £56,000 (2016 - £35,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(89,000)	(58,000)
Past service cost	-	(4,000)
Interest income	8,000	10,000
Interest cost	(16,000)	(17,000)
Total	(97,000)	(69,000)

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

	2017 £	2016 £
Opening defined benefit obligation	731,000	420,000
Current service cost	89,000	58,000
Interest cost	16,000	17,000
Actuarial (gains)/losses	(26,000)	222,000
Past service costs	-	4,000
Effect of non-routine settlements	(1,000)	(2,000)
Employee contributions	12,000	12,000
Closing defined benefit obligation	821,000	731,000

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

23. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	323,000	236,000
Interest on assets	8,000	10,000
Return on assets less interest	47,000	25,000
Employer contributions	39,000	40,000
Benefits paid	12,000	12,000
Other actuarial gains/(losses)	(1,000)	-
	<u>428,000</u>	<u>323,000</u>
Closing fair value of scheme assets	<u>428,000</u>	<u>323,000</u>

24. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	3,148	5,476
Between 1 and 5 years	5,509	8,657
Total	<u>8,657</u>	<u>14,133</u>

25. Members' liability

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

PENINSULA GATEWAY ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

26. Related party transactions

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

A Osbourne Electrical Limited, a company in which A Osbourne is a director, invoiced the academy £2,856 (2015: £913) during the year in respect of electrical repairs. At the 31st August 2016 all amounts had been settled. All transactions comply with the Acadmies Financial Handbook.