

Consolidated

Company Registration Number: 07697070 (England & Wales)

GATEWAY MULTI ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

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GATEWAY MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Judith Houghton
Jonathan de Sausmarez (resigned 1 April 2019)
Sarah Weare (resigned 1 April 2019)
Peter Hanlon (appointed 1 April 2019)
Wayne Palmer (appointed 1 April 2019)
David Crossley (appointed 1 April 2019)
Mary Hoather (appointed 1 April 2019)
Jane Mundy (appointed 1 April 2019)

Trustees

Judith Houghton, Chair of Trustees^{1,2,5,6}
Sheila Caine^{1,2,6}
Elizabeth Lee²
Malcolm Kaill²
Sarah Weare, Vice Chair and Chair of Finance and Audit Committee^{1,2,6}
Nicola French (Appointed 19 October 2017)^{2,5}
Steve Cotterell, Educationalist²
Julie-Anne Palfrey^{2,3}

Gary Hiscock⁴
John Bennett^{1,4}
James Bastow^{1,4}
Mark Cooper^{1,4}
Ian Clapton, Staff Trustee⁴
Colm Mckavanagh, Headteacher^{1,3}
Jonathan de Sausmarez, Executive Leader and Accounting Officer^{1,2,3,5,6}
Stephen Wildridge⁴
Stuart Baldwin, Chair - Oakfield⁵
Andrew Bliss⁵
Cara Cox⁴
Jon Pinckney, Staff Trustee (Resigned 21 March 2018)⁴
Nicolette Adens^{1,4}
Matthew Gilks⁴
Peter O'Hara⁴
Keith Normington⁴
Clive Daley⁴
Sim Dendy⁶
Peter Hanlon⁶
Peter Higgs⁵
Janet Lefley, Community Manager⁶
Katherine Lugg⁴
Haydn Mitton, Headteacher - Oakfield^{3,5}
Jane Mundy^{2,3,4,5}
David Newman⁴
Sarah Pearson⁴
Andy Sutton⁵
Jessica Tijou⁶

¹ Finance and Audit Committee

² Board of trustees

³ Executive committee

⁴ Local Committee (Romsey)

⁵ Local Committee (Oakfield)

⁶ Romsey Community School Ltd

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Company registered number	07697070
Company name	Gateway Multi Academy Trust
Principal and registered office	Greatbridge Road Romsey Hampshire SO51 8ZB
Company secretary and Clerk to the Governors	Pamela Leech
Senior management team	Jonathan de Sausmarez, Executive Headteacher and Accounting Officer Colm McKavanagh, Headteacher Andrew Marks, Deputy Headteacher Annie Eagle, Deputy Headteacher Chris Stephens, Assistant Headteacher Janet Lefley, Community Manager
Independent auditors	James Cowper Kreston Chartered Accountants and Statutory Auditor 9th Floor The White Building 1-4 Cumberland Place Southampton Hampshire SO15 2NP
Bankers	Lloyds Bank Plc Totton Southampton Hampshire SO40 3TH
Solicitors	Veal Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

GATEWAY MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

Following the decision by the governing body of The Romsey School Academy in July 2018 to become a Multi Academy Trust, the name was changed to the Gateway Multi Academy Trust on the 19th March 2019.

The Romsey School operates an academy for pupils aged 11 to 16 serving a catchment area in Romsey and the surrounding area. It has a pupil capacity of 1160 and had a roll of 1180 (including High Needs pupils) in the school census in October 2018.

On the 1st April 2019, Oakfield primary school joined the Gateway Multi Academy Trust (GMAT).

Oakfield primary school operates an academy for pupils aged 5 to 11 located at Sylvia Crescent, Totton, Southampton, Hampshire, SO40 3LN.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of Gateway Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Gateway Multi Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

As part of its overall insurance with The ESFA RPA. The school has insurance which protects members of the Board of Trustees against claims arising from negligent acts, errors or omissions. The insurance provides cover up to £5,000,000 for any one claim.

d. Method of recruitment and appointment or election of Trustees

The Board of Trustees for the Gateway Academy Trust has been formed in accordance with the Articles of Association and this was endorsed by the members on the 9th July 2019. Each Trustee is provided with policies on their roles and responsibilities, conduct as a Trustee and guidance on the general principles of behaviour.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The GMAT has access to Hampshire Trustee Services who provide a range of courses and we both encourage Trustees to attend as individuals and also to go to local Trustee conferences. The GMAT has an identified Trustee who is the Training Liaison Trustee whose role involves coordinating training for Trustees. GMAT is also a member of the National Governors Association.

f. Organisational structure

The GMAT board of Trustees devolves the responsibility of the day to day running of the schools Academy to the local Head teacher and the Senior Leadership team. Their activities and decisions are monitored through a local governing body and sub committees where needed.

The Main Elements of the Structure and their purpose are:

Board of Trustees

- o Agree scheme of delegation
- o Hold schools to account
- o Financial scrutiny
- o Monitoring of standards and school improvement plans
- o Strategic planning
- o Overall responsibility for GMAT policies, safeguarding and pay review.

The board of trustees approves the annual accounts, overall GMAT budget, the setting of a delegated budget for each school. It has further responsibility for the oversight of the GMAT's reporting process, internal audit by the non-employed Trustee (formerly the responsible officer), monitoring of the financial statements, financial risk management, sound management of the GMAT's estate, including proper planning, monitoring and probity.

Executive Committee

- o Operational responsibility for all schools in the Trust
- o Scrutiny of policies and ownership
- o Acts as link between the local governing bodies and the Board of Trustees

Local Governing Body – The Romsey School

The local governing body consists of parent and community governors and works with the Headteacher to monitor the school improvement plan and delegated school budget.

Quality of Education (QoE) Committee has responsibility and delegated authority for the planning, implementation, monitoring and evaluation of the staffing structure in the context of the school's strategic, improvement plans and tracking of progress (for all pupils including disadvantaged and SEN pupils), monitoring of interventions and CEIAG (Careers Education, Information, Advice and Guidance strategy). This includes responsibilities for Performance Management, Assessment and Quality of Teaching. has responsibility to ensure sound management of the school curriculum, learning and pupil achievement.

Behaviour, Attitude and Personal Development (BAPD) Committee has responsibility to ensure sound management of pupil safety, pupil support and pupil behaviour. The committee has oversight of the SMSC agenda, implementation of British Values and monitoring of attendance and pastoral data.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Local Governing Body – Oakfield Primary

The local governing body consists of parent and community governors and works with the Headteacher to monitor the school improvement plan and delegated school budget.

RCS Limited

The committee reports to the Board of Trustees. It has responsibility to ensure sound management of the community projects and community facilities operated by RCS Limited.

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

A number of Governors (not including the Chair of Governors) are delegated by the Board of Trustees to carry out the Headteachers' performance management reviews; they work in pairs, two for the Executive Leader and two for each Headteacher. They may be assisted by an external advisor. The Pay Review committee normally meets twice a year, once to review the recommendations for teaching staff pay changes (this includes the senior management team) and once to review the recommendations for support staff pay changes.

h. Trade union facility time

There were no employees who were relevant union officials.

i. Related parties and other connected charities and organisations

GMAT operates a wholly owned trading subsidiary Romsey Community School, known as RCS Limited to operate all of the outreach work in the local community.

Objectives and activities

a. Objects and aims

Our vision is to provide a world class education for our children and young people based on the following principles:

- Our ethos for each school is to be inclusive where all young people succeed
- Students are supported and happy, with staff who go that extra mile
- Students achieve outstanding results through inspirational teaching
- Learning has no boundaries within and beyond the classroom
- The school is at the heart of our community with each school a centre for extended services

Through our partnerships with the Halterworth Teaching Alliance and Barton Peveril 6th Form College we aim to create a family of schools at all mainstream phases which achieves the highest of educational standards.

b. Objectives, strategies and activities

Our promise to all our stakeholders

- From day 1 we will expect the highest of standards from our staff and students
- Instil an unwavering belief that all our young people can achieve whatever their background
- Create a trust wide ethos of continuous learning in order that our teachers are the best and that our young people are fully equipped for the future

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

- Through our phase partners ensure that there is a no excuse culture for underachievement
- Create capacity by providing a convey belt of future talent at whatever career stage
- Provide a clear plan with support that ensures all schools in the trust are good or better
- Build an extended service in each school so that families are supported
- Provide the very best learning environment both in and outside the classroom
- Ensure all young people have access to the very best extra-curricular provision by working together and creating exceptional festivals and sporting events
- Commit whole heartedly that working collaboratively both within and between academies will lead to better outcomes for all the young people in our care

Approach to teaching and learning

We have fully embedded our FLAC approach (Focussed learning, Learning to Learn, Assessment for learning, Challenge) and this will be immediately incorporated into the culture of sponsor academy with a programme of CPD to support staff and ensure consistency. In addition, we will embed our Habits of Mind to create a deep learning culture and again we have clear guidance and support for all teachers and how to implement the HoM into day to day teaching.

Plans for growth

We are keen to begin slowly and then measure the rate of growth over time. The importance of getting the outcomes with the first academy will be vital to give confidence to all that we are a trust that can deliver improved outcomes. We would view an academy joining our trust every year in the first instance but if we are able to increase capacity then this could be reviewed.

c. Public benefit

The members and Trustees of GMAT have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

- Maintain and develop a high quality education
- Offer a broad based academic curriculum
- Delivery of our schools' action plans

Strategic report

Achievements and performance

a. Key performance indicators

The Romsey School Results

74% of pupils	achieved 5 or more grades 9-4
72% of pupils	achieved 5 or more grades 9-4 including English and Maths
25% of pupils	achieved 5 or more grades 9-7
92% of pupils	achieved at least one grade 9-4
98% of pupils	achieved 5 or more grades 9-1 including English and Maths
70% of boys	achieved 5 or more grades 9-4
78% of girls	achieved 5 or more grades 9-4
32% of pupils	achieved English Baccalaureate (at Standard Pass)
84% of pupils	achieved grade 9-4
80% of pupils	achieved grade 9-4

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Oakfield Primary School Results

KS2 (Year 6)

Reading	69%
Writing	83%
Mathematics	83%
SPAG	69%
Combined	62%

KS1 (Year 2)

Reading	55%
Writing	45%
Mathematics	55%
Combined	28%

KS1 (Year 1 & Year 2) Phonics (reading)

Phonics Year 1	90%
Phonics Year 2	86%

EYFS (Year R)

Reading	71%
Writing	71%
Numbers	73%
Good level of development	71%
Total point score	33.1%

CAPITAL BIDS

The school was successful with its Capital bid for 18/19 for roofing across many buildings of the school. However, the school was unsuccessful for a bid for refurbishment of 5 science labs, but will be re-submitting the bid in December 19, we are expecting this to result in a positive outcome.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Financial review

The majority of the academy's income is obtained from the ESFA in the form of the General Annual Grant. The funds are restricted as shown in the statement of financial activities. The academy also receives other grants such as pupil premium and High/Low Incidence (Special needs, ASD funding) still comes from the Local Authority and in accordance with SORP (Statement of Recommended Practice) these items are also shown in the statement of financial activities as restricted funding. Any other items of funding have been assigned in the financial statements in accordance with the guidelines set down by SORP.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

During the year ended 31 August 2019 the total expenditure, excluding depreciation, of £9,328,953 (2018: £7,625,912) was covered by the General Annual Grant along with other incoming resources. The excess of income over expenditure (before pension costs) for the year was £40,517 (2018: -£43,493). Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019. The amount carried over to the following 12 month period will be used towards the annual expenditure of the school. The School Investments have all been in low risk Government Deposit Accounts, due to current market conditions and low interest rates the return has been low.

The accruals and deferred income for this year were £627,156 (2018: £556,995).

The majority of the school's expenditure has been salary and building infrastructure payments. Any expenditure for key objectives will be implemented over the next 12 months in line with the school improvement plan.

At 31 August the net book value of fixed assets was £46,014,796 (2018: £42,916,497). The fixed asset fund exceeds the NBV of fixed assets by £6,328 which relates to unspent devolved formula capital which is being carried forward into the future period to be spent. The assets were used exclusively for providing education and the associated support services to the students of the academy.

b. Reserves policy

The Trustees' policy is to review the levels of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The policy of the Board of Trustees is to maintain a level of reserves that will be adequate to provide a stable base for continuing the operation of the Academy whilst ensuring excessive funds are not accumulated. The main aim of the Academy is to ensure that the level of curriculum provision will be maintained in future years. The Board of Trustees uses the 3 year plan to inform the decision making.

The Trustees aim to keep the level of cash reserves sufficient to cover at least 2 months of staff salaries, a month's salaries are £483,958 at Romsey school and £50,724 at Oakfield Primary, so £1,069,364 is required to pay 2 months salaries. Specific funds have been designated as £85,000 to contribute to the science lab refurbishment at Romsey School and £15,000 for primary support for Oakfield school from Halterworth Teaching School.

c. Investment policy

The Trustees aim 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 GMAT aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no tangible risk to the loss of these cash funds.

Purposes:

- To ensure adequate cash balances are maintained in the current account to cover day to-day working capital requirements
- To ensure there is no tangible risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

d. Principal Risks and Uncertainties

The Board of Trustees ensures that the GMAT fulfils its responsibility for sound management of its finances and resources, including proper planning, monitoring and probity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Risk Management

The Trustees have considered the risks that the GMAT faces under the following headings:

- Strategic and Reputational risks
- Organisational/Management
- Human Resource Risk
- Legislative and regulatory
- Charities
- Data Protection
- Environmental and operational risks
- Compliance risks
- Financial risks
- Legal risks
- Contractual and physical risks.

The Financial Risk Management policy was last reviewed in September 2019. Regular Health and Safety audits are carried out and reported to the Board of Trustees. Other safeguards include a Business Continuity Plan and adequate insurance cover.

Fundraising

The school has a parent teacher association called ROSCA and they undertake fundraising activities for the benefit of the school. The organisation is run on a volunteer basis by school parents. The Headteacher is a member of the ROSCA committee and so is able to ensure fundraising activities are appropriate. There were no complaints relating to the fundraising activities of ROSCA during the year.

Plans for future periods

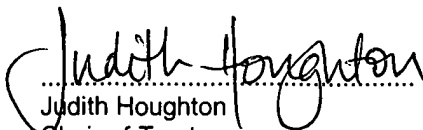
Plans for the future are in the individual School Action Plans 2019-20. These plans are a result of close self-evaluation and consultation with stakeholders over the past two years in particular relation to student voice and parent surveys. The main suggestions from staff, students and parents have been incorporated into these plans and then refined through consultation with senior and middle leaders. Trustees and Governors play a key role in challenging and supporting the schools to reach new heights.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

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


Judith Houghton
Chair of Trustees
Date: 13/12/19

GATEWAY MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Gateway Multi 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 Executive Headteacher, 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 Gateway Multi 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
Judith Houghton, Chair of Trustees	4	4
John Bennett	4	4
Julie-Anne Palfrey	4	4
Steve Cotterell, Educationalist	3	4
Nicola French	3	4
Elizabeth Lee	2	4
Sheila Caine	4	4
James Bastow	2	4
Gary Hiscock	4	4
Mark Cooper	3	4
Ian Clapton, Staff Trustee	1	4
Malcolm Kaill	4	4
Sarah Weare, Vice Chair and Chair of Finance and Audit Committee	3	4
Stephen Wildridge	3	4
Matthew Gilks	0	4
Jon Pinckney, Staff Trustee	2	4
Andrew Bliss	3	4
Cara Cox	3	4
Nicolette Adens	2	3
Keith Normington	0	0

The members of the newly formed GMAT met in July 2019, attendance was as follows:

Trustee	Meetings attended	Out of a possible
Judith Houghton	1	1
Peter Hanlon	1	1
Mary Hoather	1	1
Wayne Palmer	1	1
David Crossley	0	1

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The FARO Committee was a sub-committee of the main Romsey School governing body. Its purpose was to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees. During the period the committee have been involved in monitoring a number of small capital projects. During the accounting period Sarah Weare was Chair of the FARO Committee. The Committee met 5 times during the reporting period.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Judith Houghton	4	5
Jonathan de Sausmarez	4	5
Sheila Caine	4	5
Mark Cooper	3	5
Colm McKavanagh	5	5
Sarah Weare	5	5
John Bennett	4	5
James Bastow	2	2
Nicolette Adens	3	5

Review of value for money

As accounting officer, the Executive Headteacher 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:

- Staff replacement is managed carefully, this enables the school to maintain good numbers of quality staff in all departments within budget
- The Executive Headteacher has exceeded the budget for generating consultancy income
- Careful analysis and review of general expenditure has enabled a number of significant savings to be made.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gateway Multi Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control (continued)

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Peter Hanlon, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a quarterly basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

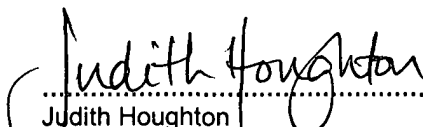
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

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GOVERNANCE STATEMENT (CONTINUED)

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


.....
Judith Houghton
Chair of Trustees
Date: 13/12/19


.....
Jonathan de Sausmarez
Accounting Officer
date: 13/12/2019

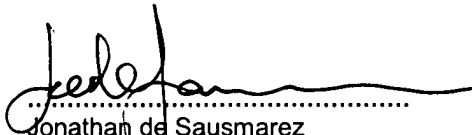
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Gateway Multi Academy Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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


.....
Jonathan de Sausmarez
Accounting Officer
Date: 13/12/2019

GATEWAY MULTI ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

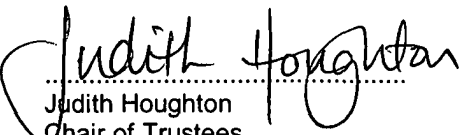
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 their conduct and operation the group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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


Judith Houghton
Chair of Trustees
Date: 13/12/19

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's or the parent 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.

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GATEWAY MULTI ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent 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:

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

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GATEWAY MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

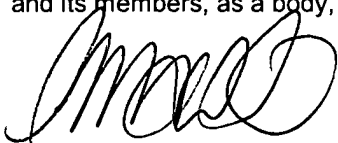
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Louise Hallsworth FCA (Senior statutory auditor)
for and on behalf of

James Cowper Kreston
Chartered Accountants and Statutory Auditor
9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 16.12.2019.

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GATEWAY
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gateway Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Gateway Multi 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 Gateway Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gateway Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Gateway Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2019 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

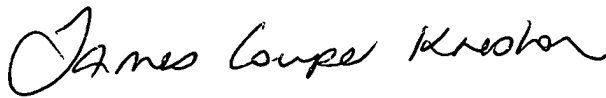
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GATEWAY
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



James Cowper Kreston
9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 16.12.2019

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	14,918	-	3,434,700	3,449,618	516,252
Charitable activities	4	655,747	6,437,543	-	7,093,290	6,297,104
Other trading activities	5	2,095,152	-	-	2,095,152	1,160,005
Investments	6	3,627	-	-	3,627	3,703
Total income		2,769,444	6,437,543	3,434,700	12,641,687	7,977,064
Expenditure on:						
Raising funds	7	1,943,568	45,343	-	1,988,911	1,032,934
Charitable activities	7	509,991	6,830,051	448,590	7,788,632	6,986,604
Total expenditure		2,453,559	6,875,394	448,590	9,777,543	8,019,538
Net income/(expenditure)		315,885	(437,851)	2,986,110	2,864,144	(42,474)
Transfers between funds	20	(118,517)	-	118,517	-	-
Net movement in funds before other recognised gains/(losses)		197,368	(437,851)	3,104,627	2,864,144	(42,474)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(1,056,000)	-	(1,056,000)	455,000
Net movement in funds		197,368	(1,493,851)	3,104,627	1,808,144	412,526
Reconciliation of funds:						
Total funds brought forward		978,619	(1,527,000)	42,916,497	42,368,116	41,955,590
Net movement in funds		197,368	(1,493,851)	3,104,627	1,808,144	412,526
Total funds carried forward		1,175,987	(3,020,851)	46,021,124	44,176,260	42,368,116

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

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07697070

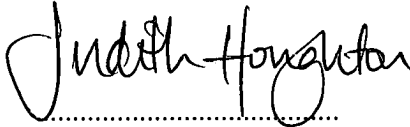
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	46,014,796	42,916,497
		<u>46,014,796</u>	<u>42,916,497</u>
Current assets			
Stocks	16	2,576	8,146
Debtors	17	626,434	369,234
Cash at bank and in hand		1,574,334	1,380,690
		<u>2,203,344</u>	<u>1,758,070</u>
Creditors: amounts falling due within one year	18	(1,157,096)	(757,576)
Net current assets		<u>1,046,248</u>	<u>1,000,494</u>
Total assets less current liabilities		<u>47,061,044</u>	<u>43,916,991</u>
Creditors: amounts falling due after more than one year	19	(20,784)	(21,875)
Net assets excluding pension liability		<u>47,040,260</u>	<u>43,895,116</u>
Defined benefit pension scheme liability	26	(2,864,000)	(1,527,000)
Total net assets		<u><u>44,176,260</u></u>	<u><u>42,368,116</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	46,021,124	42,916,497
Restricted income funds	20	(156,851)	-
		<u>45,864,273</u>	<u>42,916,497</u>
Restricted funds excluding pension asset	20	45,864,273	42,916,497
Pension reserve	20	(2,864,000)	(1,527,000)
Total restricted funds	20	<u>43,000,273</u>	<u>41,389,497</u>
Unrestricted income funds	20	<u>1,175,987</u>	<u>978,619</u>
Total funds		<u><u>44,176,260</u></u>	<u><u>42,368,116</u></u>

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 21 to 54 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:



Judith Houghton
Chair of Trustees

Date: 13/12/19

The notes on pages 27 to 54 form part of these financial statements.

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07697070

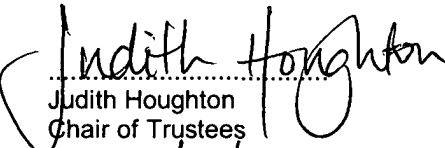
ACADEMY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	46,014,796	42,916,497
Investments	15	1	1
		<u>46,014,797</u>	<u>42,916,498</u>
Current assets			
Stocks	16	2,576	8,146
Debtors	17	533,601	338,380
Cash at bank and in hand		1,323,442	1,116,029
		<u>1,859,619</u>	<u>1,462,555</u>
Creditors: amounts falling due within one year	18	(813,371)	(462,062)
Net current assets		<u>1,046,248</u>	<u>1,000,493</u>
Total assets less current liabilities		<u>47,061,045</u>	<u>43,916,991</u>
Creditors: amounts falling due after more than one year	19	(20,784)	(21,875)
Net assets excluding pension liability		<u>47,040,261</u>	<u>43,895,116</u>
Defined benefit pension scheme liability	26	(2,864,000)	(1,527,000)
Total net assets		<u><u>44,176,261</u></u>	<u><u>42,368,116</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	46,021,124	42,916,497
Pension reserve	20	(2,864,000)	(1,527,000)
Total restricted funds	20	<u>43,157,124</u>	<u>41,389,497</u>
Unrestricted income funds			
Unrestricted funds excluding pension asset	20	1,021,317	978,619
Total unrestricted income funds	20	<u>1,019,137</u>	<u>978,619</u>
Total funds		<u><u>44,176,261</u></u>	<u><u>42,368,116</u></u>

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

ACADEMY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 21 to 54 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:


Judith Houghton
Chair of Trustees
Date: 13/12/19

The notes on pages 27 to 54 form part of these financial statements.

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	3,736,906	371,283
Cash flows from investing activities	23	(3,543,262)	(611,833)
Change in cash and cash equivalents in the year		193,644	(240,550)
Cash and cash equivalents at the beginning of the year		1,380,690	1,621,240
Cash and cash equivalents at the end of the year	24	<u><u>1,574,334</u></u>	<u><u>1,380,690</u></u>

The notes on pages 27 to 54 form part of these financial statements

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

The Consolidated statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Going concern

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

1.3 Fund accounting

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

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

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

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

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

Other income, including pupil transport, tuition fees, salary and other recharges and Executive Headteacher consultancy income is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.5 Basis of consolidation

The financial statements consolidate the accounts of The Romsey School and all of its subsidiary undertakings ('subsidiaries').

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

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

1.8 Tangible fixed assets

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

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

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

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long term leasehold property	- Straight line over the life of the lease, & buildings over estimated useful life of the asset
Furniture and equipment	- Straight line over 7 years
Computer equipment	- Straight line over 3 years

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 Consolidated statement of financial activities.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value.

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

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.

GATEWAY MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

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 26, 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 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

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1. Accounting policies (continued)

1.16 Conversion to an academy trust

The conversion from a state maintained school to an academy involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Hampshire County Council to the academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Consolidated statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Operating lease commitments

The academy trust has entered into commercial lease contracts and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the academy trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	14,918	-	14,918	7,758
Capital Grants	-	427,322	427,322	508,494
Transfer from local authority on conversion	-	3,007,378	3,007,378	-
	<u>14,918</u>	<u>3,434,700</u>	<u>3,449,618</u>	<u>516,252</u>
Total 2018	<u>7,758</u>	<u>508,494</u>	<u>516,252</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,819,120	5,819,120	5,287,968
Other DfE/ESFA grants	-	395,560	395,560	219,800
	-	6,214,680	6,214,680	5,507,768
Other government grants				
Local authority grants	-	217,863	217,863	213,271
	-	217,863	217,863	213,271
Other funding				
Events, sports coaching and other income	129,374	-	129,374	95,857
Trip income	300,507	-	300,507	267,347
Supply cover income	-	-	-	3,660
Music tuition fees	37,339	-	37,339	37,010
Uniform income	2,321	-	2,321	2,285
Pupil transport (school minibus) income	186,206	-	186,206	169,906
PE Grant	-	5,000	5,000	-
	655,747	5,000	660,747	576,065
Total 2019	655,747	6,437,543	7,093,290	6,297,104
Total 2018 as restated	576,065	5,721,039	6,297,104	

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Executive Head consultancy income	52,792	52,792	54,230
Trading subsidiary income	2,042,360	2,042,360	1,105,775
	2,095,152	2,095,152	1,160,005

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. Investment Income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	3,627	3,627	3,703

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary income:					
Direct costs	-	-	45,343	45,343	27,304
Expenditure on fundraising trading activities:					
Direct costs	1,212,206	-	731,362	1,943,568	1,005,630
Expenditure on educational operations					
Direct costs	4,863,370	446,225	950,548	6,260,143	5,787,598
Support costs	934,144	447,265	147,080	1,528,489	1,199,006
	<u>7,009,720</u>	<u>893,490</u>	<u>1,874,333</u>	<u>9,777,543</u>	<u>8,019,538</u>
Total 2018	<u>6,017,989</u>	<u>403,646</u>	<u>1,597,903</u>	<u>8,019,538</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Cost allocation	6,260,143	1,528,489	7,788,632	6,986,604
Total 2018	<u>5,787,598</u>	<u>1,199,006</u>	<u>6,986,604</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	4,863,370	4,522,593
Depreciation	446,225	391,267
Technology costs	42,581	41,293
Educational supplies	194,132	167,570
Examination fees	93,829	95,104
Educational consultancy	2,888	4,530
Other direct costs	617,118	565,241
	<u><u>6,260,143</u></u>	<u><u>5,787,598</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension income	43,000	44,000
Staff costs	934,144	754,946
Depreciation	2,365	2,367
Technology costs	2,119	3,032
Recruitment and support	12,957	14,209
Maintenance of premises and equipment	220,470	147,115
Cleaning	28,374	7,357
Rent and rates	49,054	48,276
Energy costs	112,565	90,995
Insurance	34,437	36,618
Security and transport	1,780	548
Other support costs	57,192	36,705
Governance costs	30,032	12,838
	1,528,489	1,199,006

9. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	20,277	27,160
Depreciation of tangible fixed assets	446,430	393,635
Fees paid to auditors for:		
- audit	8,500	8,005
- other services	6,095	5,715

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Wages and salaries	4,335,848	4,110,154	4,335,848	4,110,154
Social security costs	394,583	374,355	394,583	374,355
Pension costs	954,858	763,107	954,858	763,107
	<u>5,685,289</u>	<u>5,247,616</u>	<u>5,685,289</u>	<u>5,247,616</u>
Agency staff costs	87,225	29,924	87,225	29,924
Staff restructuring costs	25,000	-	25,000	-
Trading subsidiary staff costs	1,212,206	740,449	-	-
	<u><u>7,009,720</u></u>	<u><u>6,017,989</u></u>	<u><u>5,797,514</u></u>	<u><u>5,277,540</u></u>

Staff restructuring costs comprise:

	Group 2019 £	academy 2019 £
Redundancy payments	11,668	11,668
Severance payments	13,332	13,332
	<u><u>25,000</u></u>	<u><u>25,000</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,332 which was payable to one individual.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Staff numbers

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

	Group 2019 No.	Group 2018 No.
Teachers	84	77
Administration and support	94	91
Management	6	5
Trading subsidiary	65	60
	<u>249</u>	<u>233</u>

d. Higher paid staff

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

	Group 2019 No.	Group 2018 No.
In the band £60,001 - £70,000	3	2
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	-	1
	<u>-</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme. during the year ended 31 August 2019 employers' pension contributions for teaching staff amounted to £46,152 (2018: £43,948)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £555,735 (2018: £554,908).

11. Central services

No central services were provided by the group to its academies during the year and no central charges arose.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

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

		2019 £	2018 £
Ian Clapton, Staff Trustee	Remuneration	40,000 -	40,000 -
		45,000	45,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
Jonathan de Sausmarez, Executive Headteacher and Accounting Officer	Remuneration	85,000 -	95,000 -
		90,000	100,000
	Pension contributions paid		0 - 5,000
Colm Mckavanagh, Headteacher	Remuneration	85,000 -	85,000 -
		90,000	90,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Jane Mundy	Remuneration	55,000 -	
		60,000	
	Pension contributions paid	5,000 -	
		10,000	

During the year, retirement benefits were accruing to 2 Trustees (2018 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the group has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £Nil (2018 - £Nil). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

Group and academy

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	45,459,949	3,116,567	554,684	49,131,200
Additions	3,546,889	-	-	3,546,889
At 31 August 2019	<u>49,006,838</u>	<u>3,116,567</u>	<u>554,684</u>	<u>52,678,089</u>
Depreciation				
At 1 September 2018	2,545,817	3,114,202	554,684	6,214,703
Charge for the year	446,225	2,365	-	448,590
At 31 August 2019	<u>2,992,042</u>	<u>3,116,567</u>	<u>554,684</u>	<u>6,663,293</u>
Net book value				
At 31 August 2019	<u>46,014,796</u>	<u>-</u>	<u>-</u>	<u>46,014,796</u>
At 31 August 2018	<u>42,914,132</u>	<u>2,365</u>	<u>-</u>	<u>42,916,497</u>

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2018	1
At 31 August 2019	<u>1</u>
Net book value	
At 31 August 2019	<u>1</u>
At 31 August 2018	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the academy:

Name	Company number	Holding	Included in consolidation
Romsey Community School Limited	07860299	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Romsey Community School Limited	2,042,314	(2,042,314)	1

16. Stocks

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Stock	2,576	8,146	2,576	8,146

17. Debtors

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Due within one year				
Trade debtors	81,582	74,948	15,364	24,490
Amounts owed by group undertakings	-	-	44,915	81,004
Other debtors	43,032	5,557	276	-
Prepayments and accrued income	341,941	243,620	317,175	204,404
VAT recoverable	159,879	45,109	155,871	28,482
	626,434	369,234	533,601	338,380

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18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Salex loan	3,125	3,125	3,125	3,125
Trade creditors	383,818	71,517	376,170	51,561
Other taxation and social security	140,620	103,080	107,819	94,964
Other creditors	2,377	22,859	2,377	22,859
Accruals and deferred income	627,156	556,995	323,880	289,553
	1,157,096	757,576	813,371	462,062

	Group 2019 £	Group As restated 2018 £	academy 2019 £	academy As restated 2018 £
Deferred income at 1 September 2018	276,401	156,271	260,437	156,271
Resources deferred during the year	294,160	276,401	251,403	260,437
Amounts released from previous periods	(276,401)	(156,271)	(260,437)	(156,271)
	294,160	276,401	251,403	260,437

At the balance sheet date the academy was holding funds received in advance for ESFA rates relief, minibus income, school trips, music lessons and other services to be supplied in the autumn term 2019

19. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Salix Loan	20,784	21,875	20,784	21,875

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	978,619	2,769,444	(2,453,559)	(118,517)	-	1,175,987
Restricted general funds						
General Annual Grant (GAG)	-	5,819,120	(5,975,971)	-	-	(156,851)
Other DfE/ESFA Grants	-	395,560	(395,560)	-	-	-
Local authority grants	-	217,863	(217,863)	-	-	-
Other grants	-	5,000	(5,000)	-	-	-
Pension reserve	(1,527,000)	-	(281,000)	-	(1,056,000)	(2,864,000)
	<u>(1,527,000)</u>	<u>6,437,543</u>	<u>(6,875,394)</u>	<u>-</u>	<u>(1,056,000)</u>	<u>(3,020,851)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	42,916,497	427,577	(396,226)	118,517	-	43,066,365
Transfer on conversion	-	3,007,123	(52,364)	-	-	2,954,759
	<u>42,916,497</u>	<u>3,434,700</u>	<u>(448,590)</u>	<u>118,517</u>	<u>-</u>	<u>46,021,124</u>
Total Restricted funds	<u>41,389,497</u>	<u>9,872,243</u>	<u>(7,323,984)</u>	<u>118,517</u>	<u>(1,056,000)</u>	<u>43,000,273</u>
Total funds	<u>42,368,116</u>	<u>12,641,687</u>	<u>(9,777,543)</u>	<u>-</u>	<u>(1,056,000)</u>	<u>44,176,260</u>

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

Unrestricted funds

These funds are for the general use of the academy, and may be used towards meeting any of the charitable objectives of the academy trust, at the discretion of the trustees.

Although there is £1,175,987 unrestricted funds, £85,000 has been committed to contribute to the science lab refurbishment. £5,590 & £12,701 has been committed to the retention payments for the ATP and roofing projects respectively. A final £15,000 has been committed for primary support for Oakfield school from Halterworth Teaching School.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Restricted general funds

The General Annual Grant (GAG) represents funding received from the ESFA during the year in order to fund the continuing activities of the academy.

Other DfE/ESFA grants include Pupil Premium to cater for disadvantaged pupils.

Local authority grants include Hampshire County Council Special Needs and Top Up Aspergers funding.

Restricted funds also include the LGPS pension scheme provision of £2,864,000 (2018: £1,527,000)

Restricted fixed asset funds

These include fixed assets transferred on conversion to the academy status from Hampshire County Council, together with DfE/ESFA capital grants included CIF and Devolved Formula Capital. The funds represents the net book value of the tangible fixed assets.

Fund transfers

During the year funds were transferred from Restricted Fixed Assets to Restricted to fund general school repair costs which were not capitalised. Funds were also transferred between Unrestricted and Restricted to match income with the related restricted expenditure costs.

There is a difference of £6,328 between the fixed asset note and the restricted fixed asset fund. This is due to unspent DFC funding which will be carried forward to be spent in future periods.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
The Romsey School	981,421	978,619
Oakfields Primary School	37,715	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,019,136	978,619
Restricted fixed asset fund	46,021,124	42,916,497
Pension reserve	(2,864,000)	(1,527,000)
	<hr/>	<hr/>
Total	44,176,260	42,368,116
	<hr/> <hr/>	<hr/> <hr/>

During the year GMAT charged Oakfield Primary a top slice of 5% of GAG income, this totalled £15,248. Within the analysis of funds between the two schools, this balance has been allocated to The Romsey School as they incurred the related costs.

1175,987
(156,851)

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20. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
The Romsey School	4,625,616	895,653	186,835	3,245,587	8,953,691	7,625,904
Oakfields Primary School	241,200	38,490	7,297	88,275	375,262	-
Academy	4,866,816	934,143	194,132	3,333,862	9,328,953	7,625,904

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	1,022,112	1,747,531	(1,483,678)	(307,346)	-	978,619
Restricted general funds						
General Annual Grant (GAG)	-	5,313,664	(5,587,868)	274,204	-	-
Other DfE/ESFA Grants	-	194,104	(194,104)	-	-	-
Local authority grants	-	213,271	(213,271)	-	-	-
Pension reserve	(1,835,000)	-	(147,000)	-	455,000	(1,527,000)
	<u>(1,835,000)</u>	<u>5,721,039</u>	<u>(6,142,243)</u>	<u>274,204</u>	<u>455,000</u>	<u>(1,527,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	42,768,478	508,494	(393,617)	33,142	-	42,916,497
Total Restricted funds	<u>40,933,478</u>	<u>6,229,533</u>	<u>(6,535,860)</u>	<u>307,346</u>	<u>455,000</u>	<u>41,389,497</u>
Total funds	<u>41,955,590</u>	<u>7,977,064</u>	<u>(8,019,538)</u>	<u>-</u>	<u>455,000</u>	<u>42,368,116</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	46,014,796	46,014,796
Current assets	1,738,218	458,798	6,328	2,203,344
Creditors due within one year	(562,231)	(594,865)	-	(1,157,096)
Creditors due in more than one year	-	(20,784)	-	(20,784)
Provisions for liabilities and charges	-	(2,864,000)	-	(2,864,000)
Total	1,175,987	(3,020,851)	46,021,124	44,176,260

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	42,916,497	42,916,497
Current assets	978,619	779,451	-	1,758,070
Creditors due within one year	-	(757,576)	-	(757,576)
Creditors due in more than one year	-	(21,875)	-	(21,875)
Provisions for liabilities and charges	-	(1,527,000)	-	(1,527,000)
Total	978,619	(1,527,000)	42,916,497	42,368,116

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22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	2,864,144	(42,474)
Adjustments for:		
Depreciation	448,590	393,635
Interest receivable	(3,627)	(3,703)
Decrease in stocks	5,570	-
Increase in debtors	(257,200)	(58,056)
Increase/(decrease) in creditors	398,429	(65,119)
Defined benefit pension scheme finance cost	281,000	147,000
Net cash provided by operating activities	3,736,906	371,283

23. Cash flows from investing activities

	Group 2019 £	Group 2018 £
Interest receivable	3,627	3,703
Purchase of tangible fixed assets	(3,546,889)	(615,536)
Net cash used in investing activities	(3,543,262)	(611,833)

24. Analysis of cash and cash equivalents

	Group 2019 £	Group 2018 £
Cash in hand	1,574,334	1,380,690
Total cash and cash equivalents	1,574,334	1,380,690

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25. Conversion to an academy trust

On 1 April 2019 Oakfield Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Gateway Multi Academy Trust from Hampshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated statement of financial activities.

	Restricted fixed asset funds £	Total funds £
Tangible fixed assets		
Leasehold land and buildings	3,007,378	3,007,378
Net assets	<u>3,007,378</u>	<u>3,007,378</u>

Hampshire County Council issued a 125 year lease for the land and buildings of Oakfield Primary School to Gateway Multi Academy Trust.

26. Pension commitments

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

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

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

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £458,193 (2018 - £451,373).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £318,000 (2018 - £273,000), of which employer's contributions totalled £255,000 (2018 - £216,000) and employees' contributions totalled £ 63,000 (2018 - £57,000). The agreed contribution rates for future years are 18.8% per cent for employers and between 5.5% and 12.5% per cent for employees.

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

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26. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.1	2.1
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1
Inflation assumption (RPI)	3.1	3.2
Rate increase in deferred pension	2.1	2.1

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.1	24.1
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	24.7	26.2
Females	27.6	29.4

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,842,000	2,438,000
Government bonds	973,000	874,000
Corporate bonds	-	46,000
Property	340,000	263,000
Cash and other liquid assets	90,000	88,000
Other	477,000	107,000
Total market value of assets	4,722,000	3,816,000

The actual return on scheme assets was £260,000 (2018 - £249,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(329,000)	(319,000)
Past service cost	(164,000)	-
Interest income	113,000	86,000
Interest cost	156,000	(130,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(224,000)	(363,000)

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

	2019 £	2018 £
At 1 September	5,343,000	5,181,000
Current service cost	329,000	319,000
Interest cost	156,000	130,000
Employee contributions	63,000	57,000
Actuarial losses/(gains)	1,599,000	(292,000)
Benefits paid	(68,000)	(52,000)
Past service costs	164,000	-
At 31 August	7,586,000	5,343,000

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

	2019 £	2018 £
At 1 September	3,816,000	3,346,000
Interest income	113,000	86,000
Actuarial gains	543,000	163,000
Employer contributions	255,000	216,000
Employee contributions	63,000	57,000
Benefits paid	(68,000)	(52,000)
At 31 August	4,722,000	3,816,000

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27. Operating lease commitments

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

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Not later than 1 year	17,683	20,547	16,852	19,862
Later than 1 year and not later than 5 years	6,334	18,526	3,425	15,282
	<u>24,017</u>	<u>39,073</u>	<u>20,277</u>	<u>35,144</u>

28. 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.

29. 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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.