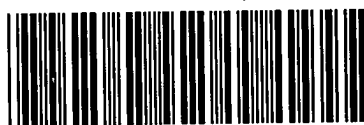


GATEWAY ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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GATEWAY ACADEMY
(A company limited by guarantee)

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GATEWAY ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

S Hacker, Chair of Trustees
L Hardman, Vice Chair
E Pollard, Chair of Finance & Premises Sub Committee
A Amieur, Parent Governor
M Taleouine, Parent Governor
J Miah, Parent Governor
K Najmi, Parent Governor (resigned 14 May 2014)
M Reffas, Parent Governor (appointed 16 May 2014)
A Siddika, Parent Governor (resigned 24 November 2013)
B El Hasskouri, Parent Governor (appointed 28 November 2013)
S Rego, Staff Governor
N Bye, Staff Governor
S Insley, Staff Governor (resigned 31 August 2014)
L Breslin, Staff Governor (appointed 20 March 2014)
Z Hussain, Community Governor (resigned 18 March 2014)
M Ridley, Community Governor (appointed 16 May 2014)
K Swift, Community Governor (resigned 18 March 2014)
S Butterworth, Community Governor (appointed 16 May 2014)
D Bourguignon, Community Governor
L Lochner, Head Teacher

Company registered number

08556180

Principal and registered office

Capland Street, London, NW8 8LN

Chief executive officer

L Lochner

Senior management team

L Lochner, Headteacher
M Schneider, Deputy Head
G Wagener, Deputy Head
L Breslin, Assistant Headteacher
S Marius-Beeko, Assistant Headteacher
S Pieris, Assistant Headteacher
J Unwin, Assistant Headteacher
P Newman, Finance Director

Independent auditors

Landau Baker Ltd, Mountcliff House, 154 Brent Street, London, NW4 2DR

GATEWAY ACADEMY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Bankers

Llody Bank, PO Box 1000, Andover, BX1 1LT

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Gateway Academy Trust (the Academy) for the year ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates a primary school academy for pupils aged 3 to 11 serving a catchment area in the north of the inner London Borough of Westminster. It has a capacity of 690 places of which 60 are in its nursery.

Structure, governance and management

a. CONSTITUTION

The Academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The Trustees of the Academy are also directors of the charitable company for the purposes of company law. The charitable company is also known as Gateway Academy. The Academy was set up by a Memorandum of Association on 5th June 2013 under terms of a Funding Agreement entered into with the Secretary of State for Education.

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. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. All Governors are Trustees. The term of office for any trustee is four years. Subject to remaining in position trustees may be re-elected at the end of their term. Members of the Academy's Governing Body vote on trustee elections.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All new trustees meet with the Headteacher and are provided with a tour of the school with opportunities to meet staff and pupils. An induction pack is provided which includes copies of policies and documents pertinent to the role.

e. ORGANISATIONAL STRUCTURE

The organisational structure facilitates the devolvement of responsibilities and accountabilities and encourages involvement in decision making at all levels of the Academy in the pursuit of outstanding educational outcomes.

The Academy's management structure consists of four levels

1. The Governing Body
2. The Headteacher
3. The Extended Leadership Team
4. Subject leaders

GATEWAY ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The Governing Body oversees the strategy of the Academy by both approving strategic decisions and monitoring progress whilst the Headteacher and her Senior Leadership Team and staff manage delivery.

The Governing Body has approved clear and documented terms of reference for its sub committees, scheme of delegation setting out the decision making authorities of the Headteacher and system of internal financial management controls.

The Governing Body's responsibilities include approval of annual spend plans, authorisation of major purchases and the appointment of senior staff.

The Academy's Headteacher is designated the Accounting Officer.

f. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Objectives and Activities

a. OBJECTIVES AND AIMS

Gateway Academy is a large and successful three form entry community primary school serving the Lisson Grove and Church Street area of Westminster.

Gateway is an aspirational school with a welcoming atmosphere and a strong ethos where children learn the knowledge, skills and understanding they need to achieve at school, and in life. The children, their education and welfare lie at the heart of everything we do. Our aim is that all members of the Gateway community feel safe and confident in supporting one another and are able to contribute positively both to the school community and to society at large.

Working together staff, pupils, parents and governors have developed and agreed a set of core values. These values, which embody our ethos, underpin all that we strive to achieve at the Academy and enable our pupils to make progress and flourish in the classroom, whilst at the same time promoting their social and emotional development and well-being.

These values are:



We all work together to make Gateway a safe and healthy school where everyone achieves their best. We never give up when faced with a challenge. We are kind to one another and tell the truth. Our school is a wonderful place to be.' (Pupil Council)

The main objectives for the Academy during the year ended 31st August 2014 were to:

- Continue to raise the standard of educational achievement and progress of all our children

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- Address performance differences between pupil groups
- Develop children's confidence in speaking English
- Include and meet the needs of all children whatever their education need
- Raise attendance levels
- Improve the effectiveness of the Academy, by carrying out a review of the curriculum
- Teach respect and consideration for others and foster an awareness and tolerance of faiths and traditions.
- Develop a programme of enrichment activities. This relates to the breadth of study and experience and involves offering pupils a wide variety of opportunities, both within and outside the curriculum, exposing them to experiences not usually encountered as part of the standard Primary curriculum.
- Improve the health and fitness of all pupils.
- Work successfully in partnership with a range of stakeholders to sustain the Academy's high achievements
- Foster partnerships with universities, teacher training institutions and businesses to add value to the opportunities offered by the Academy
- Comply with all statutory documentation
- Further develop the business management of the Academy to ensure value for money and good financial health
- Replace hot and cold water infrastructure in the 'old' side of the building

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Children start school, with exceptionally low baselines. This reflects the high levels of deprivation and the fact that almost all pupils have English as an additional language. Through a range of targeted teaching and support strategies, pupils make rapid and sustained progress so that by the end of KS1 they are drawing close to national averages. When they leave school, the proportions of pupils making and exceeding expected progress are consistently high. The majority of pupils have moved ahead significantly in all subjects compared with national averages. This includes those pupils for whom the Pupil Premium provides support.

At the heart of this success is a commitment to:

- an ethos in which all are valued and relationships are based on respect, honesty and trust
- the conviction that all children have the capacity to be confident and successful learners
- high quality teaching, via a broad, balanced and meaningful curriculum, which encourages and challenges children to be active and self-critical learners, unafraid of making mistakes
- a focus on literacy that underpins everything we do
- the notion of partnership teaching. We regard it as key to improved outcomes. We invest heavily in it and it is through partnership teaching that we secure access to the curriculum for all our children.
- maintaining a calm environment in order that education can take centre stage

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- building a partnership with home and the wider community based upon trust and respect
- children, staff, parents and governors working together actively to promote and develop a shared vision
- a leadership and management focus on strategies to help children reach their full potential. Children start school, with exceptionally low baselines. This reflects the high levels of deprivation and the fact that almost all pupils have English as an additional language. Through a range of targeted teaching and support strategies, pupils make rapid and sustained progress so that by the end of KS1 they are drawing close to national averages. When they leave school, the proportions of pupils making and exceeding expected progress are consistently high. The majority of pupils have moved ahead significantly in all subjects compared with national averages. This includes those pupils for whom the Pupil Premium provides support.

c. ACTIONS:

- Tuition and booster classes targeted at underperformance. We have the confidence and expertise to adjust the curriculum and develop interventions effectively to meet the needs of most groups and a range of pupils with specific needs.
- Procedures for evaluating the impact of teaching, monitoring children's work and moderating standards.
- Funding of additional external support for speech and language at EYFS and Y1.
- Implement graded exams in English speaking for year 3 and year 4
- Use of termly 'WOW moments' and class trips linked to key areas of learning broaden children's domain knowledge, expanding reference points.
- Children are taught music as part of the curriculum. In addition pupils are given the opportunity to learn a range of instruments. All music lessons are free.
- Extending the range of after-school clubs that support artistic, sporting and other cultural activities.
- Establishing rewards system developing pupils' self-esteem through certificates, house points and golden awards.
- Developing family learning and support programmes for parents and carers.
- A comprehensive program that supports transitions between KS2 and KS3.
- SLT working closely with Ofsted trained external consultants to carry out teaching and learning reviews. In addition CPD opportunities that develop coaching strategies enable SLT to effectively support improvements in the classroom.
- Using ICT to drive forward teaching through the purchase of additional computers, I-Pads, and the renewal of IWBs which are regarded as an essential teaching tool.

GATEWAY ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

a. 2014 EYFS ATTAINMENT AND KS1 & KS2 SATs RESULTS

Last year the assessment criteria for end of EYFS changed. Revised Early Learning Goals for number and shape, space and measures have increased expectations in terms of language - spoken and comprehension of English requirements have increased. This is a challenge for our cohort – given that so many of our pupils on entry are not yet fluent in any language. In 2013 -14 we continued to give primacy to the development of expressive language across EYFS and KS1.

This year we have seen an increase in the percentage of pupils meeting expected level of development. Whilst the percentage of pupils attaining a 'good level of development' (GLD) remains well below the national averages of 52%, the percentage attaining a GLD has increased from 22% to 33%.

Attainment and progress data represent good progress from low starting points.

GATEWAY ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

KS1 Year 1 Phonics Screening

	2014 National	School 2013	School 2014
Overall	74%	80%	90%

The percentage of pupils reaching the expected standard in phonics screening increased by 10% on 2013 and is well above national averages 2014 outcomes.

KS1 - Attainment summary end of Key Stage 1 compared to national averages

2014 KS1 RESULTS OF TEACHER ASSESSMENT Percentage at each level							
		W	1+	2c+	2b+	2a+	3+
Reading	School	2	98	94	77	51	16
	National (2014)	2	93	90	81	57	31
Writing	School	2	98	93	70	37	7
	National (2014)	2	97	86	70	39	16
Mathematics	School	2	98	96	80	46	16
	National (2014)	1	93	92	80	53	24

From EYFS where attainment is well below the national averages, excellent progress is made by the end of KS1. Pupils make increased rates of progress as their English competency improves.

By the end of KS1, attainment is above the national averages for 2c+ in reading writing and maths. At level 2b+ attainment is the same as the national averages for writing and maths, and slightly below in reading. At level 3 attainment is below.

In 2014 attainment at L2b+, 2a+ and L3 has increased in all areas. Attainment at L2c and below is lower than the national averages.

KS2 - Attainment summary end of Key Stage 2 compared to national averages: All pupils
(The figure in brackets is attainment for 2013)

KS1

GATEWAY ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

		2014 ATTAINMENT			2014 PROGRESS	
		% L4+	% L5+	% L6	% Expected progress	% More than expected progress
Reading	School	99 (88)	63 (50)	0 (0)	99 (95)	64 (55)
	National (2014)	89	42	0	91	35
Writing – Teacher Assessment	School	92 (88)	40 (31)	0 (0)	99 (98)	50 (51)
	National (2014)	85	33	NA	93	33
EGPS – abbreviation for English, Grammar, Punctuation, and Spelling test	School	96 (83)	80 (72)	6 (2)	NA	NA
	National (2014)	76	52	4	NA	NA
Maths	School	96 (91)	48 (51)	15 (12)	98 (99)	53 (63)
	National (2014)	86	42	9	89	35
Reading Writing & Maths	School	90 (82)	35 (27)	NA	87 (NA)	NA (NA)
	National (2014)	79	24	NA	NA	NA

Across KS2 progress continues to build incrementally. By the end of KS2 the % of pupils making expected progress and the % of pupils making more than expected progress is significantly higher than the national averages for all subjects.

At KS2 learners' attainment in all subjects at L4 and at L5 is above national averages. This year the percentage of pupils achieving level 4+ and L5 + has increased for all subjects.

Other achievements to the year ended 31st August 2014 included:

- The attainment gap between disadvantaged pupils and other pupils narrowed across all subject areas in KS1.
- At the end of KS2 the attainment of disadvantaged pupils is well above the national averages in all subjects. The gap in attainment between disadvantaged pupils and national averages other pupils is similar or smaller. Disadvantaged pupils make similar or better progress to national averages for other pupils in all subjects.
- Progress for Arabic and Bengali speaking pupils was similar, especially in the focus area of writing.
- Bronze Healthy Living Award achieved and healthy cooking classes for children and parents proved very popular whilst raising awareness of healthy living and building a closer relationship between the school and families.

GATEWAY ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- The transition to Academy Status in September 2013.
- Improved whole school pupil attendance.
- Continued delivery of speech and language project within nursery, reception and year 1. Impact is evidenced by improved standards in the phonics check and KS1 learning.
- Gateway Academy won, for the second time, the ACTIVE Westminster School award. The introduction of early morning fitness routines and extra new after-school sports clubs contributed to this achievement
- Increase in the number of after-school sports sessions attended to 19 per week
- The English and Maths curriculum has been updated in the light of New National Curriculum. We have kept what we know works well for our pupils and incorporated raised expectations. Curriculum maps for other areas of learning have also been reviewed. Programmes of study will be produced to reflect changes made.
- Replacement hot and cold water systems were successfully installed within the 2014 summer holiday.
- Every child now has the opportunity to learn the violin in years 4 and 5.

Financial review

The Academy receives its core funding by way of grant from the Department of Education's Education Funding Agency (EFA). Additional nursery school and special educational needs grant funding was received from the Academy's local council, Westminster Council. Use of grant funding is restricted to the delivery of primary education.

The year to 31st August was the first year of existence of the Academy. The inherited the buildings, contents and the surplus of the predecessor school Gateway Primary amounting to £9,472,191 (see note 3).

Total income incoming resources amounted to £13,571,355 including resources inherited from the predecessor school. Outgoing resources came to £4,003,695.

As at the 31st August 2014 the fixed assets net book value was £9,340,871.

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy's funding is predominantly based upon the number of pupils attending the Academy. A large reduction in pupil numbers would adversely impact upon funding. The Academy is currently oversubscribed and a waiting list administered for those who wish to attend. Pupil numbers and waiting lists are closely monitored by the leadership team.

b. RESERVES POLICY

The Academy holds reserves sufficient to meet its known financial commitments and planned spending over the medium term and for prudent financial management purposes retains a modest and limited contingency for unforeseen circumstances. The Trustees believe that reserves are adequate but not excessive.

c. INVESTMENTS POLICY

For the year ending 31st August 2014 cash balances were held in the school's current account for which it

GATEWAY ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

received interest payments of £550. The Academy's investment policy is currently under review for 2014/15 and beyond.

Plans for future periods

a. FUTURE DEVELOPMENTS

For 2014/15 and beyond the Academy will strive to improve the educational outcomes for pupils and will:

- Continue to raise the standard of educational achievement and progress of all our children.
- Address performance differences between pupil groups.
- Extend children's understanding of their own performance and their next steps in learning to support pupil progress and improve attitudes to learning.
- Include and meet the needs of all children whatever their education need.
- Review procedures and systems to track pupil progress across the school with reference to 'assessment without levels'.
- Deliver a whole school emphasis promoting the application of basic skills in phonics, number, grammar and punctuation.
- Formulate programmes of study to reflect revised curriculum.
- Review provision for more able/talented children.
- Continue to raise levels of attendance, reduce persistent absenteeism and reduce incidence of lateness – with an increased emphasis on EYFS (esp. Nursery part-time) and pupils with statements of educational need.
- Develop high quality outdoor learning in the Early Years in order to ensure high quality EYFS/Y1 outcomes.
- Raise expectations of speaking & listening through implementation English Speaking Board exams and a whole school focus on performance poetry.
- Embed an understanding and appreciation for 'The Gateway Way' and the Academy's core values across the wider school community.
- Develop increased awareness for our children of the importance of economic well-being. Promote and encourage them to have and fulfil personal aspirations.
- Continue to develop a programme of enrichment activities. This relates to the breadth of study and experience and involves offering pupils a wide variety of opportunities, both within and outside the curriculum, exposing them to experiences not usually encountered as part of the standard Primary curriculum.
- Through teaching and learning, continue to develop respect, consideration for others and an awareness and tolerance of faiths and traditions.
- Work with a range of stakeholders to identify what we do well in tackling issues around radicalisation and

GATEWAY ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

extremism. Use this as a basis to agree a policy and embed good practice throughout the Academy.

- Continue to develop links with other schools locally and nationally in order to fulfil the requirement of 'working with schools'.
- Improve the health and fitness of all pupils.
- Work successfully in partnership with a range of stakeholders to sustain the Academy's high achievements
- Comply with all statutory documentation.
- Further develop the business management of the Academy to ensure value for money and good financial health.
- Upgrade lighting in the 'old' side of the building.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 27 November 2014 and signed on the board's behalf by:

S Hacker, Chair of Trustees



GATEWAY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Gateway Academy 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 Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Hacker, Chair of Trustees	6	6
L Hardman, Vice Chair	5	6
E Pollard, Chair of Finance & Premises Sub Committee	2	6
A Amieur, Parent Governor	5	6
M Taleouine, Parent Governor	5	6
J Miah, Parent Governor	5	6
K Najmi, Parent Governor	3	4
M Reffas, Parent Governor	1	1
A Siddika, Parent Governor	1	2
B El Hasskouri, Parent Governor	4	4
S Rego, Staff Governor	5	6
N Bye, Staff Governor	6	6
S Insley, Staff Governor	2	6
L Breslin, Staff Governor	3	3
Z Hussain, Community Governor	0	3
M Ridley, Community Governor	0	1
K Swift, Community Governor	1	3
S Butterworth, Community Governor	0	1
D Bourguignon, Community Governor	2	6
L Lochner, Head Teacher	6	6

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to ensure the effective management of the Academy's finances and buildings.

GATEWAY ACADEMY
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Hacker	7	7
E Pollard	5	7
A Amieur	4	7
D Bourguignon	3	7
Z Hussian	1	5
N Bye	6	7
L Lochner	7	7

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gateway Academy for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 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 Premises 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 supplementary programme of internal audits to verify the effectiveness of internal controls and appointed Landau Baker Ltd to undertake these checks during the year.

Landau Baker's role includes performing a range of checks on the Academy's financial systems. On a half yearly basis, the Landau Baker reports to trustees on the operation of the systems of control.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

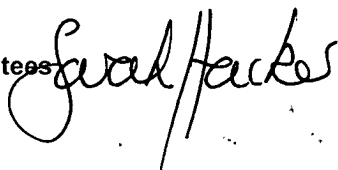
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 27 November 2014 and signed on its behalf, by:

S Hacker, Chair of Trustees



L Lochner, Head Teacher



GATEWAY ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Gateway Academy I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of 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 (2013).

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 EFA.

L Lochner, Accounting Officer

Date: 27 November 2014



GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who act as governors of Gateway Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 27 November 2014 and signed on its behalf by:



S Hacker, Chair of Trustees

GATEWAY ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF GATEWAY ACADEMY

We have audited the financial statements of Gateway Academy for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

GATEWAY ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF GATEWAY ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Ltd

Registered auditor

Mountcliff House
154 Brent Street
London
NW4 2DR
27 November 2014

GATEWAY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 13 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gateway Academy during the year 1 September 2013 to 31 August 2014 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 Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Gateway Academy and EFA 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 Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GATEWAY ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Gateway Academy's funding agreement with the Secretary of State for Education dated 22 August 2013, and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. 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 ACADEMY
(A company limited by guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Michael Durst (Senior statutory auditor)

Landau Baker Ltd

Registered auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

27 November 2014

GATEWAY ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	3	13,234	93,151	9,365,806	9,472,191
Activities for generating funds	4	8,866	124,481	-	133,347
Incoming resources from charitable activities	5	-	3,965,817	-	3,965,817
TOTAL INCOMING RESOURCES		22,100	4,183,449	9,365,806	13,571,355
RESOURCES EXPENDED					
Charitable activities		8,970	3,836,495	149,830	3,995,295
Governance costs	6	-	8,400	-	8,400
TOTAL RESOURCES EXPENDED	9	8,970	3,844,895	149,830	4,003,695
NET INCOMING RESOURCES BEFORE TRANSFERS		13,130	338,554	9,215,976	9,567,660
Transfers between Funds	20	-	(124,895)	124,895	-
NET INCOME FOR THE YEAR		13,130	213,659	9,340,871	9,567,660
Actuarial gains and losses on defined benefit pension schemes		-	(102,000)	-	(102,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		13,130	111,659	9,340,871	9,465,660
<i>Total funds at 1 September 2013</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2014		13,130	111,659	9,340,871	9,465,660

All activities relate to continuing operations.

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

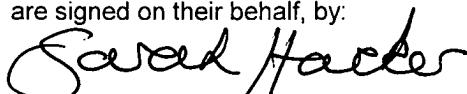
The notes on pages 25 to 42 form part of these financial statements.

GATEWAY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08556180

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	16		9,340,871
CURRENT ASSETS			
Stocks	17	7,407	
Debtors	18	76,415	
Cash at bank and in hand		891,988	
		<u>975,810</u>	
CREDITORS: amounts falling due within one year	19	(316,021)	
NET CURRENT ASSETS			<u>659,789</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,000,660</u>
Defined benefit pension scheme liability	25	(535,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>9,465,660</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	20	646,659	
Restricted fixed asset funds	20	9,340,871	
		<u>9,987,530</u>	
Restricted funds excluding pension liability			
Pension reserve		(535,000)	
		<u></u>	
Total restricted funds			9,452,530
Unrestricted funds	20		<u>13,130</u>
TOTAL FUNDS			<u><u>9,465,660</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 27 November 2014 and are signed on their behalf, by:


S Hacker, Chair of Trustees

The notes on pages 25 to 42 form part of these financial statements.

GATEWAY ACADEMY
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £
Net cash flow from operating activities	22	891,988
INCREASE IN CASH IN THE YEAR		891,988

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £
Increase in cash in the year	891,988
MOVEMENT IN NET FUNDS IN THE YEAR	891,988
NET FUNDS AT 31 AUGUST 2014	891,988

The notes on pages 25 to 42 form part of these financial statements.

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

GATEWAY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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

Long-term leasehold property	-	125 years
Fixtures and fittings	-	10% Straight-line basis
Computer equipment	-	33% Straight-line basis

GATEWAY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks

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

1.9 Taxation

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

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

GATEWAY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.11 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Gateway Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Gateway Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2014.

3. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Legacies	13,234	9,458,957	9,472,191

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Catering income	-	82,565	82,565
Letting income	-	9,750	9,750
Training income	-	3,360	3,360
Donations	-	4,954	4,954
Sales of goods	-	8,387	8,387
Other income	-	14,915	14,915
School fund income	8,866	-	8,866
Bank interest	-	550	550
	<u>8,866</u>	<u>124,481</u>	<u>133,347</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Educational Operation	-	3,965,817	3,965,817
	<u>-</u>	<u>3,965,817</u>	<u>3,965,817</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General Annual Grants	-	3,123,929	3,123,929
Pupil Premium	-	370,773	370,773
PE Teacher	-	10,710	10,710
Other EFA Grants	-	21,356	21,356
SEN Funding	-	140,925	140,925
Early Years Funding	-	298,124	298,124
	<u>-</u>	<u>3,965,817</u>	<u>3,965,817</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Governance Auditors' remuneration	-	8,400	8,400

7. DIRECT COSTS

	Educational Operation £	Total 2014 £
Pension expenses	11,000	11,000
Educational supplies	154,823	154,823
Agency supply	349,948	349,948
Examination fees	7,790	7,790
Staff development	31,030	31,030
Educational Consultancy	7,414	7,414
Security and transport	1,124	1,124
Wages and salaries	1,926,881	1,926,881
National insurance	133,407	133,407
Pension cost	238,634	238,634
Depreciation	149,830	149,830
	<u>3,011,881</u>	<u>3,011,881</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. SUPPORT COSTS

	Educational Operation £	Total 2014 £
Technology costs	30,662	30,662
Agency supply	37,075	37,075
Educational Consultancy	3,977	3,977
Recruitment and support	11,798	11,798
Maintenance of premises	90,769	90,769
Maintenance of equipments	12,290	12,290
Cleaning	20,989	20,989
Rent & rates	31,308	31,308
Energy costs	37,188	37,188
Insurance	350	350
Catering	243,630	243,630
Bank interest and charges	244	244
Other support costs	30,187	30,187
Other staff costs	6,649	6,649
Professional fees	19,492	19,492
Wages and salaries	302,690	302,690
National insurance	12,448	12,448
Pension cost	91,668	91,668
	<u>983,414</u>	<u>983,414</u>

9. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Expenditure Other costs 2014 £	Total 2014 £
Educational Operation	2,298,922	712,959	3,011,881
Support costs - Educational Operation	406,806	576,608	983,414
	<u>2,705,728</u>	<u>1,289,567</u>	<u>3,995,295</u>
Charitable activities			
	<u>2,705,728</u>	<u>1,289,567</u>	<u>3,995,295</u>
Governance	-	8,400	8,400
	<u>-</u>	<u>8,400</u>	<u>8,400</u>
	<u>2,705,728</u>	<u>1,297,967</u>	<u>4,003,695</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £
Educational Operation	3,011,881	983,414	3,995,295

11. NET INCOMING RESOURCES

This is stated after charging:

	2014 £
Depreciation of tangible fixed assets: - owned by the charity	149,830
Auditors' remuneration	8,400
Governance Internal audit costs	-
	<u> </u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £
Wages and salaries	2,229,571
Social security costs	145,855
Other pension costs (Note 25)	330,302
	<u> </u>
	2,705,728
Supply teacher costs	349,948
	<u> </u>
	3,055,676

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.
Management	8
Teacher	39
Support Staff	30
	<hr/> 77 <hr/>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.
In the band £60,001 - £70,000	2
In the band £80,001 - £90,000	1
	<hr/> 3 <hr/>

13. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014 £
L Lochner	85,000-90,000
S Rego	15,000-20,000
L Breslin	55,000-60,000
N Bye	40,000-45,000
S Insley	30,000-35,000

During the year, no Trustees received any reimbursement of expenses.

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £893.11. The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2014 £
Expected return on pension scheme assets	31,000
Interest on pension scheme liabilities	(42,000)
	<u>(11,000)</u>

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	-	-	-	-
Additions	9,314,145	72,882	103,674	9,490,701
At 31 August 2014	<u>9,314,145</u>	<u>72,882</u>	<u>103,674</u>	<u>9,490,701</u>
Depreciation				
At 1 September 2013	-	-	-	-
Charge for the year	110,953	7,288	31,589	149,830
At 31 August 2014	<u>110,953</u>	<u>7,288</u>	<u>31,589</u>	<u>149,830</u>
Net book value				
At 31 August 2014	<u>9,203,192</u>	<u>65,594</u>	<u>72,085</u>	<u>9,340,871</u>

17. STOCKS

	2014 £
Finished goods and goods for resale	<u>7,407</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

18. DEBTORS

	2014 £
Trade debtors	12,690
Prepayments and accrued income	18,899
Tax recoverable	44,826
	<u>76,415</u>

19. CREDITORS:
Amounts falling due within one year

	2014 £
Trade creditors	10,588
Accruals and deferred income	305,433
	<u>316,021</u>

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	-	22,100	(8,970)	-	-	13,130
Restricted funds						
Restricted Funds - all funds	-	4,572,449	(3,800,895)	(124,895)	-	646,659
Pension reserve	-	(389,000)	(44,000)	-	(102,000)	(535,000)
	<u>-</u>	<u>4,183,449</u>	<u>(3,844,895)</u>	<u>(124,895)</u>	<u>(102,000)</u>	<u>111,659</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	-	9,365,806	(149,830)	124,895	-	9,340,871
Total restricted funds	-	13,549,255	(3,994,725)	-	(102,000)	9,452,530
Total of funds	-	13,571,355	(4,003,695)	-	(102,000)	9,465,660

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	22,100	(8,970)	-	-	13,130
Restricted funds	-	4,183,449	(3,844,895)	(124,895)	(102,000)	111,659
Restricted fixed asset funds	-	9,365,806	(149,830)	124,895	-	9,340,871
	-	13,571,355	(4,003,695)	-	(102,000)	9,465,660

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	9,340,871	9,340,871
Current assets	13,130	962,680	-	975,810
Creditors due within one year	-	(316,021)	-	(316,021)
Provisions for liabilities and charges	-	(535,000)	-	(535,000)
	<u>13,130</u>	<u>111,659</u>	<u>9,340,871</u>	<u>9,465,660</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £
Net incoming resources before revaluations	9,567,660
Exceptional items	(124,895)
Depreciation of tangible fixed assets	149,830
Increase in stocks	(7,407)
Increase in debtors	(76,415)
Increase in creditors	316,021
LGPS deficit on conversion	389,000
Fixed assets on conversion	(9,365,806)
FRS 17 adjustments	44,000
Net cash inflow from operations	<u><u>891,988</u></u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	891,988	-	891,988
Net funds	<u>-</u>	<u>891,988</u>	<u>-</u>	<u>891,988</u>

24. CONVERSION TO AN ACADEMY TRUST

On 1 September 2013 Gateway Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Gateway Academy from City of Westminster Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred

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**NOTES TO THE FINANCIAL STATEMENTS
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24. CONVERSION TO AN ACADEMY TRUST (continued)

were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	9,206,556	9,206,556
Other assets	-	-	159,250	159,250
Budget surplus/(deficit) on LA funds	13,234	482,151	-	495,385
LGPS pension surplus/(deficit)	-	(389,000)	-	(389,000)
Net assets/(liabilities)	<u>13,234</u>	<u>93,151</u>	<u>9,365,806</u>	<u>9,472,191</u>

The above net assets include £495,385 that were transferred as cash.

25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £60,000, of which employer's contributions totalled £41,000 and employees' contributions totalled £19,000. The agreed contribution rates for future years are 14.7% for employers and 5.5 to 7.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2014 £
Present value of funded obligations	(1,113,000)
Fair value of scheme assets	578,000
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Net liability	(535,000)
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The amounts recognised in the Statement of financial activities are as follows:

	2014 £
Current service cost	(74,000)
Interest on obligation	(42,000)
Expected return on scheme assets	31,000
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Total	(85,000)
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Actual return on scheme assets	69,000
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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2014 £
Opening defined benefit obligation	838,000
Current service cost	74,000
Interest cost	42,000
Contributions by scheme participants	19,000
Actuarial Losses	140,000
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Closing defined benefit obligation	1,113,000
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Movements in the fair value of the academy's share of scheme assets:

	2014 £
Opening fair value of scheme assets	449,000
Expected return on assets	31,000
Actuarial gains and (losses)	38,000
Contributions by employer	41,000
Contributions by employees	19,000
	<hr/>
	578,000
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The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £102,000.

The academy expects to contribute £86,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014
Equities	6.70 %
Gilts	3.00 %
Other Bonds	3.60 %
Property	5.90 %
Cash	2.90 %
Total	6.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014
Discount rate for scheme liabilities	3.90 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %
RPI Increase	3.50 %

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2014
Retiring today	
Males	22.0
Females	25.1
Retiring in 20 years	
Males	24.1
Females	27.4

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(1,113,000)
Scheme assets	578,000
Deficit	(535,000)
Experience adjustments on scheme liabilities	(140,000)
Experience adjustments on scheme assets	38,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	2014 £
Expiry date:	
Between 2 and 5 years	5,079

27. 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 trustee 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.

There was no related parties transaction during the period.