

Company Registration Number: 08556180 (England & Wales)

GATEWAY ACADEMY
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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GATEWAY ACADEMY
(A company limited by guarantee)

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

Bankers

Lloyds Bank
PO Box 1000
Andover
BX1 1LT

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

GATEWAY ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Hacker S Butterworth N Begum
Trustees	S Hacker, Chair of Trustees F McTaggart, Staff Governor M Taleouine, Parent Governor Z Alkhoe, Parent Governor (appointed 23 May 2019) B El Hasskouri, Parent Governor M Ridley, Community Governor S Butterworth, Community Governor, Vice Chair G Coughlan, Staff Governor D Naher, Parent Governor (resigned 12 March 2019) N Begum, Parent Governor G Koutsika, Community Governor O O'Connor, Community Governor L Lochner, Headteacher S Troll, Staff Governor K Lad, Parent Governor (appointed 22 November 2018) A Amieur, Parent Governor
Company registered number	08556180
Company name	Gateway Academy
Principal and registered office	Capland Street London NW8 8LN
Chief executive officer	L Lochner
Senior management team	Louisa Lochner, Headteacher Lisa Breslin, Deputy Headteacher Robert Wood, Deputy Headteacher Michael Goodsir, Assistant Headteacher Diane Symons, Assistant Headteacher Claire Cleary, Assistant Headteacher Paul Newman, Finance Director
Independent auditors	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London NW4 2DR

GATEWAY ACADEMY
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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.

Structure, governance and management

a. Constitution

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

The charitable company's Trust deed is the primary governing document of the academy.

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

The charitable company is known as Gateway Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

Subject to the provisions of the Companies Act, every governor or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

d. 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.

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

During the period under review, the governors held 6 full governing body meetings. In addition there were regular meetings covering finance, curriculum, premises and personnel. The training and induction provided for new governors will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. Organisational structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders and terms of reference. The Headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Head Teacher assumes the accounting officer role.

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

The Leadership Appraisal / Pay Committee appraise the performance and determine the salary of the Headteacher each year. An independent external advisor assists. The pay of other key management personnel is determined by performance appraisal undertaken by the Headteacher and reviewed by the Leadership Appraisal / Pay Committee. The Governing Body are informed of the number key personnel who are awarded incremental pay progressions following successful performance reviews and of the associated pay cost increase. Salaries are set in compliance with the Academy's Teachers' Pay and Support Staff Pay policies and the Government's School Teachers Pay and Conditions Document.

h. Related parties and other connected charities and organisations

The academy is the founding member of the Gateway Academy Trust which is a separate Trust where Gateway Academy is the only member. The Trust undertakes educational support activities.

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

Objectives and activities

a. Objects and aims

The principal object and activity of the academy is the operation of Gateway Academy to provide a broad and balanced education for pupils of all abilities in the area. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Academy will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

Gateway Academy is an aspirational and welcoming school, 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 to wider society.

Working together staff, pupils, parents and governors have developed and agreed a set of core values. These values underpin all that we strive to achieve at the Academy and enable our pupils not only to make progress and flourish in the classroom, but also to promote 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)

We promote our school values in the following ways:

Challenge

- Implementing a curriculum, which provides challenge and enjoyment
- Providing opportunities for challenge and success so that pupils can develop views and act responsibly
- Ensuring pupils develop the confidence to make and hold moral judgments

Determination

- Ensuring pupils develop confidence to take risks in their learning and show resilience in challenging times.
- Enabling pupils to reflect on both achievements and setbacks and learn from their experiences.

Achievement

- Enabling pupils to recognise that making mistakes is a key part of successful learning and develop perseverance
- Enabling pupils to accept responsibility for their learning
- Providing opportunities for pupils to apply their knowledge and understanding to a wide range of situations.
- Helping pupils to achieve in teams, small groups and as individuals
- Supporting pupils to take responsibility to achieve beyond their potential
- Supporting pupils to think and learn creatively
- Promoting an understanding and appreciation of human achievement in all its forms
- Providing a positive and consistent behaviour system that enables our pupils to develop resilience and strategies to succeed

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

Objectives and activities (continued)

Co-operation

- Enabling pupils to work co-operatively with others
- Encouraging behaviour that is tolerant, sensitive to others and reflects good manners
- Promoting participation in a range of community activities

Equality

- Promoting respect for everyone and welcoming differences
- Helping pupils to understand the consequences of actions
- Providing social and academic support for all members of our community
- Teaching children to be good listeners and communicators
- Respecting opinions and beliefs others
- Respecting oneself

Staying safe

- Understanding the importance of healthy eating for physical and mental wellbeing
- Understanding the importance of exercise for physical and mental wellbeing
- Promoting and modeling healthy lifestyle choices
- Offering a range of extra-curricular activities
- Developing pupils' knowledge of health issues, including sexual, mental and drug related, to enable informed decisions and choices
- Teaching pupils how to safely enjoy new technologies, experiences and environments
- Achieving high levels of attendance and promoting punctuality

The academy has undertaken self-evaluation activities to correctly identify objectives for the next year.

Quality of education

These objectives are to:

- Define and publish 'the Gateway Way' to the curriculum
- Further raise achievement in writing
- Further raise achievement in reading
- Further raise achievement in maths
- Continue to build links between subjects and areas of learning
- Improve outcomes for our low prior attainers
- Ensure that pupils with SEND (K1, K2 and statements of educational need/ EHC plans) make expected rates of progress
- Review assessment and planning systems to ensure that they:
 - o Do not create an unnecessary burden on teachers
 - o Move children's learning on
- Ensure 85% of the year 4 cohort meet the standard of the multiplication check

Behaviour and attitudes

These objectives are to:

- Continue to raise levels of attendance and reduce persistent absenteeism
- Continue to promote happy and active playtimes
- Continue to refine the Academy's strategy for managing behaviour
- Work alongside wider community services to tackle rising serious youth crime within the local area

Personal development

These objectives are to:

- Implement statutory changes as set out in Relationships education, relationship and sex education and health education framework
- Promote healthy eating and healthy lifestyles

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

Objectives and activities (continued)

Leadership and management

These objectives are to:

- Increase access to enrichment activities for our most vulnerable pupils
- Review the Academy's approach to wellbeing and positive mental health
- Ensure that teachers are not overburdened by workload
- Investigate opening a specialist SEND unit within the Academy
- Promote healthy, safe and active travel throughout the school community
- Further develop the leadership capacity of the Senior Leadership Team
- Develop future middle leaders
- Secure a budget and 3 year spending plan in order to sustain the Academy's current vision for the use of technologies throughout a time of transition

Early Years

These objectives are to:

- Further raise achievement in reading
- Develop children's vocabulary and understanding of language across the 7 areas of learning
- Further raise achievement in maths
- Improve outcomes for boys
- Make preparations for the implementation of the changes to the EYFS curriculum and a new EYFS baseline assessments 2020
- Raise levels of attendance and reduce persistent absenteeism

c. Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Leading and collaborating projects with other education providers to raise educational outcomes, including the provision of mentoring and training.
- Raising money for local, national and international charities.
- Providing community events such as the Gateway Summer Party and regular parent coffee mornings.

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

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

Gateway Academy opened as a stand-alone academy in September 2013.



Achievement 2018 -2019

Pupil progress at Gateway Academy

Most pupils join Gateway Academy with well below average standards for their age. Baseline assessment for Nursery and Reception children indicates that pupils are working well below age related expectations on entry but make good progress from low starting points. Pupils make excellent progress from their starting points to the end of Key Stage 1. We have narrowed the gap considerably in their skills, knowledge and understanding and what would be expected for their age.

Progress across KS2 is outstanding. At the end of KS2 the percentage of pupils achieving the expected standard is higher than the national average in all areas of learning. Attainment at greater depth is always at least in line with the national. It is significantly higher in maths and GPVS.

Progress data in 2019 is higher than national averages in all subjects. It is particularly high in reading and maths.

Early Years Foundation Stage Profile

EYFS % good level of development (GLD)	2018		2019	
	School	National	School	National
All Pupils	61	72	62	72

Key Stage 1

Phonics screening check % meeting the required standard	2018		2019	
	School	National	School	National
Year 1	90	83	85	82
Year 2 cumulative	97	91	96	91

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

Strategic report (continued)

Achievements and performance (continued)

Attainment – end of Key Stage 1

% of pupils at the expected standard (AES)	2019 - National	2019 - School
	Expected standard%	Expected standard%
reading	75	71
writing	69	60
mathematics	76	66
reading, writing and mathematics combined	65	53

% of pupils at the higher standard (GDS)	2019 - National	2019 - School
	Higher standard%	Higher standard%
reading	25	15
writing	15	7
mathematics	22	13
reading, writing and mathematics combined	11	4

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

Strategic report (continued)

Achievements and performance (continued)

Attainment at the end of Key Stage 2

% of pupils at the expected standard (AES)	2019 - National			2019 - School		
	AES%	Average score	Progress score	AES%	Average score	Progress score
reading, writing and mathematics combined	65			71		
reading	73	104	0	78	105	1.8
writing	78		0	83		0.8
mathematics	79	105	0	88	107	2.5
grammar, punctuation, vocabulary & spelling (GPVS)	78	106		90	110	
science	83			93		

% of pupils at the higher standard (GDS)	2019 - National	2019 - School
	Higher standard%	Higher standard%
reading, writing and mathematics combined	11	11
reading	27	26
writing	20	17
mathematics	27	35
grammar, punctuation, vocabulary & spelling (GPVS)	36	54

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

Strategic report (continued)

Achievements and performance (continued)

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

During the period Education Funding and Skills Agency (EFSA) and Westminster Council grants for restricted purposes received totalled £4,208,657. Other restricted income received totalled £95,527. Restricted expenditure totalled £4,088,119.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy, it should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

The Academy maintains a healthy balance sheet and cash flows. It will apply reserves to maintain and enhance assets and invest in additional resources and facilities in line with the academy's development plan and aims. Following conversion to academy status, the Academy appointed a qualified accountant to the role of Finance Director.

The Governors through the Finance and Premises Committee and Head Teacher receive financial progress reports throughout the year comparing income and expenditure against budgets submitted to the Education and Skills Funding Agency. The Finance Committee also review longer term financial models (up to 3 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

Work to conclude Victorian building window refurbishment and site safeguarding infrastructure upgrade projects concluded early in the year. No other capital intensive works were undertaken. The year-end reserve increased from that at 31st August 2018.

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

Strategic report (continued)

Financial review (continued)

b. Reserves policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at Governing Body meetings and aim to maintain adequate reserves by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £935,674. This balance includes unrestricted funds (free reserves) of £6,025 and restricted funds of £929,649.

Restricted funds have been designated by the Governing Body to meet the lifecycle upgrade and replacement costs of the academy's premises and information technology. In the near and medium term this includes pupil toilets refurbishment, further window refurbishment, special educational needs building enhancements, internal lighting upgrades and water pipe replacement.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totalling to £1,191,000. This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

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

Strategic report (continued)

Financial review (continued)

c. Investment policy

It should be noted that the Academy Trust has substantial power with regards to investments of cash balances held. Investment policies are determined by the Governing body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy's to additional risk. The Finance and Premises Committee monitors the treasury management activities and strategies to ensure returns are derived on Academy cash balances. Cash not imminently required for the Academy's day to day operational requirements are invested in low-risk investment vehicles such as fixed rate deposits, notice accounts and no notice business savings accounts. The amounts held as investment deposits are reviewed periodically taking into consideration factors such as counterparty risks, interest rates risk and liquidity risks. At 31 August 2019, monies were invested in interest bearing deposit accounts of two UK regulated financial institutions..

d. Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2019.

Fundraising

Donations formed the main source of unrestricted income and totalled £17,562. This includes £10,000 received from the St Marylebone Educational Foundation for playground improvements. Fundraising activities during the period resulted in donations of £1,078 to Comic Relief and £584 to Children In Need.

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

Plans for future periods

Our Reception and Year 1 intakes in recent years reflect a declining local population of young children and the changing school population across the Bi-borough and Inner London as whole. Whilst the decline in pupil numbers has abated, and to some extent recovered, the outlook remains somewhat uncertain. As a consequence, our future funding is expected to reflect near full pupil take up rather than full take up. In addition, reductions to Pupil Premium funding mean that we need to assess how we can best continue to support this pupil group with potentially less funding. The displacement of the local funding arrangement with the National Funding Formula is however expected to be financially beneficial for Gateway Academy should it be fully implemented.

The Academy has an ongoing programme of building repairs and maintenance and a prioritised improvement plan. Over coming years' priority will be given to the refurbishment of pupil toilets and special educational needs building upgrades.

The school meal services contract will be retendered within the next 12 months to ensure continued high quality provision and value for money. The Academy is working on a joint tendering programme with ten other Westminster schools.

At Gateway Academy we are committed to partnerships we have built with a range of providers, including universities (Institute of Education) and other schools. We are now a partner school with Teach First and regularly run training events for/with them. We are also part of the Marylebone Alliance and deliver INSET to other schools within Westminster. The act of sharing expertise and developing others is in itself a valuable form of staff development.

We are now working on the development of a formal programme of support to other schools including: in-class and management support directly to other schools, resources and publications, including the website.

Funds held as custodian on behalf of others

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

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, on 21 November 2019 and signed on its behalf by:



S Hacker
Chair of Trustees

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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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report. 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
F McTaggart, Staff Governor	6	6
M Taleouine, Parent Governor	6	6
Z Alkhoe, Parent Governor	1	1
B El Hasskouri, Parent Governor	2	6
M Ridley, Community Governor	4	6
S Butterworth, Community Governor, Vice-Chair	6	6
G Coughlan, Staff Governor	4	6
D Naher, Parent Governor	2	3
N Begum, Parent Governor	5	6
G Koutsika, Community Governor	5	6
O O'Connor, Community Governor	5	6
L Lochner, Headteacher	6	6
S Troll, Staff Governor	5	6
K Lad, Parent Governor	5	5
A Amieur, Parent Governor	5	6

Trustees (Governors) typically also serve on a number of other sub committees, as set out on the school website.

Each Governing Body Committee reports its progress at termly full Governing Body meetings. Membership of each sub-committee is reviewed each year. The Governors are scheduled to perform a self-evaluation review of governance in the coming year.

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to make sure that the Academy is following the ESFA's financial regulations.

No significant issues to note were dealt with during the period.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Butterworth	4	6
S Hacker	5	6
A Amieur	2	6
K Lad	4	5
O O'Connor	6	6
L Lochner	6	6

GATEWAY ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Continued utilisation of central and local government framework contracts for supplies and services including energy, water and reprographics.
- Retendering numerous property maintenance services under a single consolidated multi-year planned preventative maintenance contract.
- Taking a prominent role working with 10 other Westminster primary schools to retender school meal services.
- Securing competitive quotes for higher cost supplies and services and changing suppliers where warranted.

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 Academy for the year 1 September 2018 to 31 August 2019 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 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.

GOVERNANCE STATEMENT (CONTINUED)

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 a specific internal audit function and has decided to appoint Kreston Reeves as internal auditor.

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

- testing of governance arrangements
- testing of payroll systems
- testing of income collection
- testing of accounting systems
- testing of purchasing controls

On a termly basis, the internal auditor reports to the board of Trustees through the Finance and Premises committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Board can confirm that the internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

Review of effectiveness

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

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

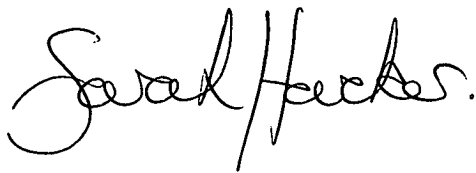
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

GATEWAY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 21 November 2019 and signed on their behalf by:

S Hacker
Chair of Trustees

Handwritten signature of S Hacker in cursive script.

L Lochner
Accounting Officer

Handwritten signature of L Lochner in cursive script.

GATEWAY ACADEMY
(A company limited by guarantee)

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 & 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.

L Lochner
Accounting Officer
Date: 21 November 2019



GATEWAY ACADEMY
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Gateway Academy (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 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 academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GATEWAY ACADEMY (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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

GATEWAY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GATEWAY ACADEMY (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 academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.


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.

 FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

21 November 2019

GATEWAY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 01 June 2018 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 Academy 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 Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Gateway Academy 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 Academy and ESFA, 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 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 ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GATEWAY
ACADEMY 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.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 21 November 2019

GATEWAY ACADEMY
(A company limited by guarantee)

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

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
		2019	2019	2019	2019	2018
	Note	£	£	£	£	£
Income from:						
Donations and capital grants	3	10,000	-	35,439	45,439	11,414
Charitable activities		-	4,208,657	-	4,208,657	4,162,309
Other trading activities		7,562	89,627	-	97,189	109,397
Investments	6	-	5,900	-	5,900	4,936
Total income		17,562	4,304,184	35,439	4,357,185	4,288,056
Expenditure on:						
Charitable activities	8	17,649	4,088,119	165,908	4,271,676	4,595,296
Total expenditure		17,649	4,088,119	165,908	4,271,676	4,595,296
Net (expenditure)/income		(87)	216,065	(130,469)	85,509	(307,240)
Transfers between funds	19	-	(34,012)	34,012	-	-
Net movement in funds before other recognised gains/(losses)		(87)	182,053	(96,457)	85,509	(307,240)
Actuarial losses on defined benefit pension schemes	24	-	(230,000)	-	(230,000)	274,000
Net movement in funds		(87)	(47,947)	(96,457)	(144,491)	(33,240)
Reconciliation of funds:						
Total funds brought forward		6,112	(213,404)	9,286,995	9,079,703	9,112,943
Net movement in funds		(87)	(47,947)	(96,457)	(144,491)	(33,240)
Total funds carried forward		6,025	(261,351)	9,190,538	8,935,212	9,079,703

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 54 form part of these financial statements.

GATEWAY ACADEMY
(A company limited by guarantee)

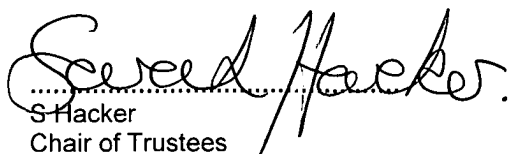
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	9,190,538	9,286,995
		<u>9,190,538</u>	<u>9,286,995</u>
Current assets			
Stocks	15	3,311	4,545
Debtors	16	130,545	120,383
Cash at bank and in hand		1,088,250	850,570
		<u>1,222,106</u>	<u>975,498</u>
Creditors: amounts falling due within one year	17	(286,432)	(323,790)
Net current assets		<u>935,674</u>	<u>651,708</u>
Total assets less current liabilities		<u>10,126,212</u>	<u>9,938,703</u>
Net assets excluding pension liability		<u>10,126,212</u>	<u>9,938,703</u>
Defined benefit pension scheme liability	24	(1,191,000)	(859,000)
Total net assets		<u><u>8,935,212</u></u>	<u><u>9,079,703</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	9,190,538	9,286,995
Restricted income funds	19	929,649	645,596
		<u>10,120,187</u>	<u>9,932,591</u>
Restricted funds excluding pension asset	19	10,120,187	9,932,591
Pension reserve	19	(1,191,000)	(859,000)
Total restricted funds	19	<u>8,929,187</u>	<u>9,073,591</u>
Unrestricted income funds	19	<u>6,025</u>	<u>6,112</u>
Total funds		<u><u>8,935,212</u></u>	<u><u>9,079,703</u></u>

The financial statements on pages 27 to 54 were approved by the Trustees, and authorised for issue on 21 November 2019 and are signed on their behalf, by:

GATEWAY ACADEMY
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019


S Hacker
Chair of Trustees

The notes on pages 31 to 54 form part of these financial statements.

GATEWAY ACADEMY
(A company limited by guarantee)

**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	21	271,691	71,500
Cash flows from investing activities	22	(34,011)	(192,700)
Change in cash and cash equivalents in the year		237,680	(121,200)
Cash and cash equivalents at the beginning of the year		850,570	971,770
Cash and cash equivalents at the end of the year	23	<u>1,088,250</u>	<u>850,570</u>

The notes on pages 31 to 54 form part of these financial statements

GATEWAY ACADEMY
(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 Academy meets the definition of a public benefit entity under FRS 102.

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 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.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

• **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.

GATEWAY ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- 50 years
Furniture and fixtures	- 10% Straight-line basis
Computer equipment	- 33% Straight-line basis

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

1.6 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.

GATEWAY ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Debtors

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

1.8 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.

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. 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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Operating leases

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

1.12 Pensions

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

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

GATEWAY ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Pensions (continued)

accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

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

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

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

GATEWAY ACADEMY
(A company limited by guarantee)

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

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds - class ii 2019 £	Total funds 2019 £
Donations	10,000	-	10,000
Capital Grants	-	35,439	35,439
	<u>10,000</u>	<u>35,439</u>	<u>45,439</u>

	<i>Restricted funds - class ii 2018 £</i>	<i>Total funds 2018 £</i>
Capital Grants	<u>11,414</u>	<u>11,414</u>

GATEWAY ACADEMY
(A company limited by guarantee)

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

4. Funding for the academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	3,046,929	3,046,929	3,132,160
Other DfE/ESFA Grants	545,580	545,580	532,221
	-	3,592,509	3,664,381
Other government grants			
Other Government Grants	50,642	50,642	5,438
Local Authority Grants	565,506	565,506	492,490
	<u>4,208,657</u>	<u>4,208,657</u>	<u>4,162,309</u>

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Catering Income	-	56,114	56,114
Lettings income	-	6,190	6,190
Other Income	7,562	27,323	34,885
	<u>7,562</u>	<u>89,627</u>	<u>97,189</u>

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6. Investment income

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment Income	5,900	5,900	4,936

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational Operations:				
Direct costs	2,727,824	-	227,564	2,955,388
Allocated support costs	616,803	191,711	507,774	1,316,288
	<u>3,344,627</u>	<u>191,711</u>	<u>735,338</u>	<u>4,271,676</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Educational Operations	17,649	4,232,027	4,249,676
Pension cost	-	22,000	22,000

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Educational Operations	11,175	4,559,121	4,570,296
Pension cost	-	25,000	25,000

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8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	2,955,388	1,316,288	4,271,676

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational Operations	3,214,552	1,380,744	4,595,296

Analysis of direct costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	2,346,416	2,346,416	2,562,636
Educational supplies	180,606	180,606	220,258
Teaching supply costs	381,408	381,408	371,816
Examination fees	11,000	11,000	9,900
Staff development	25,033	25,033	33,502
Educational consultancy	10,925	10,925	16,440
	2,955,388	2,955,388	3,214,552

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

Analysis of support costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	22,000	22,000	25,000
Staff costs	493,949	493,949	505,212
Depreciation	165,908	165,908	179,898
Technology costs	37,726	37,726	29,236
Recruitment and support	9,056	9,056	11,297
Maintenance of premises and equipment	80,731	80,731	81,635
Cleaning	16,126	16,126	21,419
Rent & rates	37,801	37,801	40,031
Energy costs	43,148	43,148	36,113
Insurance	13,905	13,905	14,190
Security and transport	1,142	1,142	2,268
Catering	192,034	192,034	194,810
Support staff supply costs	122,854	122,854	168,214
Other support costs	50,342	50,342	50,931
Governance costs	29,566	29,566	20,490
	1,316,288	1,316,288	1,380,744

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	3,513	4,516
Depreciation of tangible fixed assets	165,908	179,898
Fees paid to auditors for:		
- audit	4,000	4,000
- other services	8,288	5,503
	8,288	5,503

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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,226,184	2,380,115
Social security costs	194,452	216,558
Pension costs	419,729	471,175
	<u>2,840,365</u>	<u>3,067,848</u>
Teaching supply costs	381,408	371,816
Support staff supply costs	122,854	168,214
	<u>3,344,627</u>	<u>3,607,878</u>

Staff restructuring costs comprise:

b. Staff numbers

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

	2019 No.	2018 No.
Management	7	8
Teachers	37	40
Support staff	29	33
	<u>73</u>	<u>81</u>

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11. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	3
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for the services to the academy trust was £538,451 (2018: £380,579)

12. Related Party Transactions- 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 £
L Lochhner (Principal & Headteacher)	Remuneration	100,000 -	95,000 -
		105,000	100,000
	Pension contributions paid	15,000 -	10,000 -
S Troll (Staff Trustee)		20,000	15,000
	Remuneration	10,000 -	5,000 -
		15,000	10,000
F McTaggart (Staff Trustee)	Remuneration	45,000 -	40,000 -
		50,000	45,000
	Pension contributions paid	5,000 -	5,000 -
G Coughlan (Staff Trustee)		10,000	10,000
	Remuneration	45,000 -	40,000 -
		50,000	45,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

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

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13. 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 academy was with the Risk Protection Arrangement with ESFA. The cost of this insurance is £25 per pupil, which cannot be divided into cover sections. The cost of this insurance totaled to £13,905 and is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	9,752,420	104,820	294,252	10,151,492
Additions	48,204	6,557	14,689	69,450
At 31 August 2019	9,800,624	111,377	308,941	10,220,942
Depreciation				
At 1 September 2018	574,410	43,234	246,853	864,497
Charge for the year	121,963	10,830	33,114	165,907
At 31 August 2019	696,373	54,064	279,967	1,030,404
Net book value				
At 31 August 2019	9,104,251	57,313	28,974	9,190,538
At 31 August 2018	9,178,010	61,586	47,399	9,286,995

15. Stocks

	2019 £	2018 £
Uniforms	3,311	4,545

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16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	2,696	2,870
Other debtors	9,484	11,265
Prepayments and accrued income	118,365	106,248
	<u>130,545</u>	<u>120,383</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	19,082	63,049
Other taxation and social security	53,825	58,694
Accruals and deferred income	213,525	202,047
	<u>286,432</u>	<u>323,790</u>

	2019 £	2018 £
Deferred income at 1 September 2018	51,838	66,885
Resources deferred during the year	144,222	51,838
Amounts released from previous periods	(51,838)	(66,885)
	<u>144,222</u>	<u>51,838</u>

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	1,088,250	850,570
Financial assets that are debt instruments measured at amortised cost	70,806	2,870
	<u>1,159,056</u>	<u>853,440</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Financial instruments (continued)

	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(88,385)	(213,258)

Financial assets measured at fair value through income and expenditure comprise bank and cash balance.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	6,112	17,562	(17,649)	-	-	6,025
Restricted general funds						
GAG	645,596	3,046,929	(2,728,864)	(34,012)	-	929,649
Pupil premium	-	397,210	(397,210)	-	-	-
Other ESFA funding	-	126,950	(126,950)	-	-	-
PE & Sports funding	-	21,420	(21,420)	-	-	-
SEN funding (LA)	-	241,354	(241,354)	-	-	-
Early Years funding (LA)	-	324,152	(324,152)	-	-	-
Other grants	-	50,642	(50,642)	-	-	-
General funds	-	95,527	(95,527)	-	-	-
Pension reserve	(859,000)	-	(102,000)	-	(230,000)	(1,191,000)
	(213,404)	4,304,184	(4,088,119)	(34,012)	(230,000)	(261,351)

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19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	9,286,995	-	(165,908)	34,012	-	9,155,099
Devolved Formula Capital	-	35,439	-	-	-	35,439
	<u>9,286,995</u>	<u>35,439</u>	<u>(165,908)</u>	<u>34,012</u>	<u>-</u>	<u>9,190,538</u>
Total Restricted funds	<u>9,073,591</u>	<u>4,339,623</u>	<u>(4,254,027)</u>	<u>-</u>	<u>(230,000)</u>	<u>8,929,187</u>
Total funds	<u>9,079,703</u>	<u>4,357,185</u>	<u>(4,271,676)</u>	<u>-</u>	<u>(230,000)</u>	<u>8,935,212</u>

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

Restricted fixed assets funds have been increased by capital grants provided by DfE and reduced by depreciation charges.

Restricted general fund have been increased by revenue grants provided by DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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 August 2019.

The Academy Trust carries a reserve to meet building and ICT lifecycle and upgrade costs. In the near and medium term this includes refurbishing pupil toilets, a further phase of window refurbishment, additional special education needs facilities, lighting upgrades and internal water pipes replacement.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Gateway Academy	935,674	651,708
Restricted fixed asset fund	9,190,538	9,286,995
Pension reserve	(1,191,000)	(859,000)
Total	8,935,212	9,079,703

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 £
Gateway Academy	2,727,824	616,803	191,531	569,610	4,105,768

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19. 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 - all funds	9,285	8,002	(11,175)	-	-	6,112
Restricted general funds						
GAG	848,879	3,132,160	(3,142,743)	(192,700)	-	645,596
Pupil premium	-	415,360	(415,360)	-	-	-
Other ESFA funding	-	95,441	(95,441)	-	-	-
PE & Sports funding	-	21,420	(21,420)	-	-	-
SEN funding (LA)	-	183,444	(183,444)	-	-	-
Early Years funding (LA)	-	309,046	(309,046)	-	-	-
Other grants	-	5,438	(5,438)	-	-	-
General funds	-	106,331	(106,331)	-	-	-
Pension reserve	(1,008,000)	-	(125,000)	-	274,000	(859,000)
	(159,121)	4,268,640	(4,404,223)	(192,700)	274,000	(213,404)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	9,262,779	-	(179,898)	192,700	-	9,275,581
Devolved Formula Capital	-	11,414	-	-	-	11,414
	9,262,779	11,414	(179,898)	192,700	-	9,286,995

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Total Restricted funds	9,103,658	4,280,054	(4,584,121)	-	274,000	9,073,591
Total funds	9,112,943	4,288,056	(4,595,296)	-	274,000	9,079,703

20. 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	-	-	9,190,538	9,190,538
Current assets	6,025	1,216,081	-	1,222,106
Creditors due within one year	-	(286,432)	-	(286,432)
Provisions for liabilities and charges	-	(1,191,000)	-	(1,191,000)
Total	6,025	(261,351)	9,190,538	8,935,212

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	-	-	9,286,995	9,286,995
Current assets	6,112	969,386	-	975,498
Creditors due within one year	-	(323,790)	-	(323,790)
Provisions for liabilities and charges	-	(859,000)	-	(859,000)
Total	6,112	(213,404)	9,286,995	9,079,703

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21. 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)	85,509	(307,240)
Adjustments for:		
Depreciation	165,907	179,898
Capital grants from DfE and other capital income	(35,439)	(11,414)
Defined benefit pension scheme cost less contributions payable	80,000	100,000
Defined benefit pension scheme finance cost	22,000	25,000
Decrease in stocks	1,234	3,442
(Increase)/decrease in debtors	(10,162)	22,792
(Decrease)/increase in creditors	(37,358)	59,022
Net cash provided by operating activities	271,691	71,500

22. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(69,450)	(204,114)
Capital grants from DfE/ESFA	35,439	11,414
Net cash used in investing activities	(34,011)	(192,700)

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,088,250	850,570
Total cash and cash equivalents	1,088,250	850,570

24. 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 City of Westminster Pension Fund. Both are multi-employer defined benefit schemes.

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24. Pension commitments (continued)

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.

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 £232,768 (2018 - £268,198).

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 academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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24. Pension commitments (continued)

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 £133,000 (2018 - £98,000), of which employer's contributions totalled £107,000 (2018 - £73,000) and employees' contributions totalled £ 26,000 (2018 - £25,000). The agreed contribution rates for future years are 18.6 per cent for employers and 5.5 to 8.5% 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.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	23.4	24.5
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	25.1	26.8
Females	26.6	28.5

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,155,000	1,038,000
Corporate bonds	236,000	184,000
Property	159,000	119,000
Cash and other liquid assets	1,000	10,000
Total market value of assets	1,551,000	1,351,000

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24. Pension commitments (continued)

The actual return on scheme assets was £81,000 (2018 - £55,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(158,000)	(172,000)
Past service cost	(28,000)	-
Interest income	37,000	31,000
Interest cost	(59,000)	(56,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(209,000)	(198,000)

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

	2019 £	2018 £
At 1 September	2,210,000	2,073,000
Current service cost	158,000	172,000
Interest cost	59,000	56,000
Employee contributions	26,000	25,000
Actuarial losses/(gains)	274,000	(250,000)
Benefits paid	(13,000)	134,000
Past service costs	28,000	-
At 31 August	2,742,000	2,210,000

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24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,351,000	1,065,000
Interest income	37,000	31,000
Actuarial gains	44,000	24,000
Employer contributions	107,000	73,000
Employee contributions	26,000	25,000
Benefits paid	(13,000)	134,000
Administration expenses	(1,000)	(1,000)
At 31 August	1,551,000	1,351,000

25. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	3,513	4,516
Later than 1 year and not later than 5 years	-	3,513
	3,513	8,029

26. Members' liability

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

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27. Related party transactions

Owing to the nature of the academy'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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.