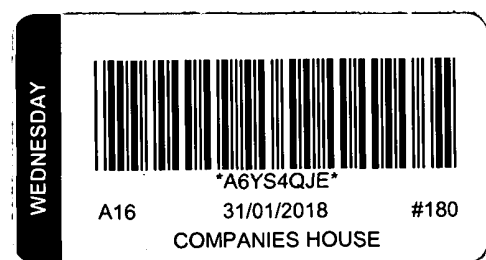


CH

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



LANDAU BAKER LTD
& Chartered Accountants and Statutory Auditor
Mountcliff House
154 Brent Street
London
NW4 2DR

1 1 1

GATEWAY ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditors' report on the financial statements	20 - 22
Independent reporting accountant's assurance report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28 - 45

GATEWAY ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

S Hacker
M Ridley
B El Hasskouri
D Bourguignon

Trustees

S Hacker, Chair of Trustees
M Ridley, Community Governor, Vice Chair
D Bourguignon, Community Governor, Chair of Finance of Premises Committee
A Amieur, Parent Governor
M Taleouine, Parent Governor
J Ahmed, Parent Governor
B El Hasskouri, Parent Governor
L Breslin, Staff Governor (resigned 31 January 2017)
G Coughlan, Staff Governor (appointed 1 February 2017)
D Naher, Parent Governor
S Butterworth, Community Governor
L Lochner, Headteacher
S Troll, Staff Governor
F McTaggart, Staff Governor
G Koutsika, Community Governor
O O'Connor, Community 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
L Lochner, Headteacher
N Bye, Deputy Head (resigned 31 August 2017)
A Donnelly, Deputy Headteacher (appointed 1 September 2016)
L Breslin, Deputy Headteacher
R Wood, Deputy Headteacher (appointed 18 April 2017)
S Pieris, Assistant Headteacher
D Symons, Assistant Headteacher
C Cleary, Assistant Headteacher
P Newman, Finance Director

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

GATEWAY ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

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)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in the north of the inner London Borough of Westminster. It has a pupil capacity of 690 (including 60 nursery) and had a roll of 679 in the school census on 18 May 2017.

Structure, governance and management

CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 5 June 2013) are the primary governing documents of the academy trust. The trustees of Gateway Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Gateway Academy.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

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.

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.

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.

POLICIES AND PROCEDURES 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, 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.

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 Head Teacher 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.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION FOR 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 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.

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.

Objectives and Activities

OBJECTIVES 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 Lisson Grove and Church Street area of Westminster.

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 pupils 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.

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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)

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

- Work successfully in partnership with a range of stakeholders to sustain the Academy's high achievements.
- Raise KS1 outcomes for 2018 by introducing and embedding strategies that link explicitly to the raised expectations and assessments of the new curriculum.
- Raise KS2 outcomes to above national averages both at the expected standard and higher standard.
- Ensure that pupils with EHC plans/statements of special educational needs make at least expected rates of progress.
- Ensure in school data analysis reflects changes to Raiseonline - Analyse School Performance (ASP).
- Monitor and evaluate the effectiveness of PP spend for each year group by:
 - o Reviewing the strategy used to monitor the attainment and progress of pupils from prior learning points. Analysis to emphasis making progress from starting point.
 - o Specifically target disadvantage pupils as a group and individually during pupil progress meetings.
- Continue to find ways to promote a learning culture by raising the profile of our learning tool kits.
- Use the learning toolkit to focus specifically on developing the attitudes of the more able at EYFS and KS1.
- Develop a shared understanding of 'outstanding' teaching and learning.
- Raise attainment in Reading by:
 - o Embedding the Gateway model for the teaching reading at year 2 and KS2.
 - o Reviewing the teaching of reading at EYFS and year 1.
 - o Reviewing planning frameworks for the teaching of reading and English.
- Raise attainment in Writing by:
 - o Continuing to develop recursive writing strategies – revisit and review.

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- o Using reading as a motivation for writing.
- Raise attainment in Grammar, Punctuation, Vocabulary and Spelling GPVS by:
 - o Embedding the good practice developed this year in the teaching of GPVS by making more links to the actual writing process (moving beyond the discrete teaching of GPVS)
- Raise attainment in Maths by:
 - o Developing pupils problem solving and reasoning skills.
 - o Developing a consistent approach throughout the academy - 'teaching maths the Gateway way'.
 - o Developing a whole school strategy and documented trajectory for teaching 'number facts'.
 - o Exemplifying mastery at maths for each year group.
- Raise attainment in Science by:
 - o Raising the profile of Science throughout the academy.
 - o Developing a robust plan to raise the standard in teaching.
 - o Moderating Science outcomes in each year group.
 - o Achieving the Science Mark.
- Exemplify expected standards in all areas of the curriculum.
- Develop and promote a set of 'Gateway Manners'.
- Expand the ways in which we work with other schools:
 - o Supporting underachieving schools within the LA/ Tri-Borough.
 - o Develop further our relationship with the Marylebone Teaching Alliance.
 - o Working with the British School of the Netherlands.
 - o Marketing Gateway initiatives and organise training events.
- Increase parental engagement. We are proud of our parental engagement, particularly in workshops. We are developing the home/school reading scheme at KS1 further this year.
- Seek ways to engage with families and continue to address the radicalisation agenda.
- Continue to develop effective relationships between all stakeholders to positively impact on the ethos of the academy and behaviour of pupils within the academy.
- Raise levels of attendance, reduce persistent absenteeism and reduce incidence of lateness. With a specific emphasis on:
 - o EYFS (esp. Nursery part-time)
 - o SEND pupils (K2 – EHCP).
- Ensure the effective strategic financial planning and management of the Academy in the light of significant changes to funding.
- Further develop the business management of the Academy to ensure value for money and good financial health.
- Foster partnerships with universities, teacher training institutions and businesses to add value to the opportunities offered by the Academy.
- Ensure efficient management of building:
 - o Review of site security
 - o Review capital budgeting strategy
 - o Cycle of redecoration
- In order to achieve our objects, the academy will undertake to provide a safe, well ordered learning environment, both in the classroom and outdoors, which promotes a sense of belonging, self respect, self control, respect for the feelings and property of others and positive attitudes to life.

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.

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 applying 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.

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's Aims are being reviewed and edited in the autumn term of 2018.

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:

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

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic Report

Achievements and Performance

KEY PERFORMANCE INDICATORS

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

Achievement 2016 – 2017

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 KS1. We have narrowed the gap considerably in their skills, knowledge and understanding and what would be expected for their age.

This year, at the end of Key Stage 2 the percentage of pupils achieving the combined expected standard in all areas of learning remains higher than the national average. Attainment at the expected standard is higher than the national average in writing, grammar, punctuation & spelling and maths and is lower than the national in reading. The number of pupils achieving greater depth continues to rise. It is higher than the national in grammar, punctuation & spelling and maths.

Progress in writing and mathematics is higher than national. Progress for reading falls within the average band. Progress for pupils belonging to the high prior attainment band is significantly above the national for all subjects.

Early Years Foundation Stage Profile

EYF5 % good level of development (GLD)	2016		2017	
	School	National	School	National
All Pupils	50	69	51	71

Key Stage 1

Phonics screening check % meeting the required standard	2016		2017	
	School	National	School	National
Year 1	92	81	92	81
Year 2 cumulative	98	91	100	91

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Attainment - end of Key Stage 1

% of pupils at the expected standard (AES)	Reading	Writing	Mathematics
	2017 AES	2017 AES	2017 AES
National	76	68	75
School	68	50	63

% of pupils at greater depth (GD)	Reading	Writing	Mathematics
	2017 (GD)	2017 (GD)	2017 (GD)
National	25	16	21
School	14	8	6

Attainment at the end of Key Stage 2

% of pupils at the expected standard (AES)	2017 - NATIONAL			2017 - SCHOOL		
	AES%	Average score	Progress score	AES%	Average score	Progress score
reading, writing and mathematics combined	61			62		
reading	71	104.1	0	67	102.6	-0.6
writing	76		0	81		0.4
mathematics	75	104.2	0	78	104.1	0.8
grammar, punctuation, vocabulary & spelling (GPVS)	77	106		81	107.2	
science	82			89		

% of pupils at the higher standard	2017 - NATIONAL	2017 - SCHOOL
	Higher standard%	Higher standard%
reading	25	21
writing	18	8
mathematics	23	27
GPVS	31	37

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

GOING CONCERN

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

FINANCIAL REVIEW

During the period Education Skills and Funding Agency (ESFA) and Westminster Council grants for restricted purposes received totalled £4,186,793. Other restricted income received totalled £117,144. Restricted expenditure totalled £4,338,464.

Donations formed the main source of unrestricted income which totalled £10,089. Fundraising activities during the period resulted in donations to Children In Need, Red Nose Day and Red Cross (Grenfell Tower Appeal) of £2,294.

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 2017 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 ESFA. 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.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

Following conversion to academy status, the Academy appointed a Finance Director.

The Governors through the Finance and Premises Committee and Headteacher 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.

During the period the academy's playground was upgraded with drainage and resurfaced. The year-end reserve reduced from that at 31st August 2016 as a consequence.

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:

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- 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 (excluding fixed assets and the Local Government Pension Scheme) at the end of the period amounted to £858,164. This balance includes unrestricted funds (free reserves) of £9,285, which is considered appropriate for the Academy Trust, and restricted funds of £848,879.

Restricted funds have been earmarked by the Headteacher as follows:

- £310,000 - Additional ICT hardware, enhanced site security, replacement water pipes, replacement windows and office refurbishment.

No designations were made in relation to the unrestricted reserves total.

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 £1,008,000. 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.

INVESTMENT POLICY

It should be noted that the Academy Trust has substantial power with regards to investments due to 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 Academies 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. 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 2017, monies were invested in interest bearing deposit accounts of two regulated financial institutions.

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017.

PLANS FOR FUTURE PERIODS

In light of government changes to the provision of child care and the impact of those changes on nursery school funding received the Academy will review its' nursery provision. The review will include the feasibility of offering funded full time places.

The Academy has an ongoing programme of building repairs and maintenance and a prioritised improvement plan, for which we will be applying for capital grants from the Department of Education, ESFA and ACMF. Over the coming year priority will be given to the replacement of windows, compliance with legionella requirements, the refurbishment of the office block and improvements to security. External advisors in conjunction with school staff have carried out a site condition survey. This will enable the Academy to update and extend the current five-year plan, which is coming to an end.

At Gateway we are committed to the partnerships we have built with a range of providers, including universities (Institute of Education) and other schools in the local authority and beyond (St Mary's Bryanston Square, St Edwards, Edward Wilson, Paddington Green). 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. 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 website.

This year we are embarking project international links with the British School of the Netherlands - joint project

GATEWAY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

focused on developing and sharing good practice. In particular writing.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 23 November 2017 and signed on the board's behalf by:


S Hacker
Chair of Trustees

GATEWAY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Hacker, Chair of Trustees	5	6
M Ridley, Community Governor, Vice Chair	6	6
D Bourguignon, Community Governor, Chair of Finance of Premises Committee	1	6
A Amieur, Parent Governor	6	6
M Taleouine, Parent Governor	6	6
J Ahmed, Parent Governor	4	6
B El Hasskouri, Parent Governor	3	6
L Breslin, Staff Governor (resigned 31 Jan 2017)	2	2
G Coughlan, Staff Governor (appointed 1 Feb 2017)	4	4
D Naher, Parent Governor	6	6
S Butterworth, Community Governor	6	6
L Lochner, Headteacher	6	6
S Troll, Staff Governor	6	6
F McTaggart, Staff Governor	5	6
G Koutsika, Community Governor	6	6
O O'Connor, Community Governor	6	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.

GATEWAY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Bourguignon, Community Governor, Chair of Finance of Premises Committee	5	6
S Hacker, Chair of Trustees	5	6
L Lochner, Headteacher	6	6
A Amieur, Parent Governor	2	6
S Butterworth, Community Governor	5	6
O O'Connor, Community Governor	6	6

REVIEW OF VALUE FOR MONEY

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

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

- Upgrading and resurfacing the playground considerably reducing the times when the area is unavailable for teaching or play due to flooding.
- Acquisition of additional iPads to enhance teaching preparation and classroom delivery.
- Utilisation of government Crown Commercial Services procurement framework agreements for energy supplies to secure cost savings and balanced contractual terms.
- Utilisation of government framework agreement to secure cost effective and balanced contractual terms on the procurement of replacement photocopiers.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

GATEWAY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- 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 HCSS Education and then following the conclusion of their contract Kreston Reeves as internal auditors.

HCSS Education and Kreston Reeves, 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 procurement
- testing of cash controls
- testing of income collection
- testing of VAT and other taxation systems
- testing of asset accounting and security
- testing of income generation
- testing of contract tendering
- testing of financial year end procedures
- testing of payroll systems
- testing of accounting systems
- testing of cash-flow management arrangements

On a termly basis, Kreston Reeves 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 board of 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 the 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 Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

GATEWAY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

Approved by order of the members of the board of trustees on 23 November 2017 and signed on their behalf, by:

S Hacker
Chair of Trustees

Handwritten signature of S Hacker in black ink.

L Lochner
Accounting Officer

Handwritten signature of L Lochner in black ink.

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

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

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



L Lochner
Accounting Officer

Date: 23 November 2017

GATEWAY ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

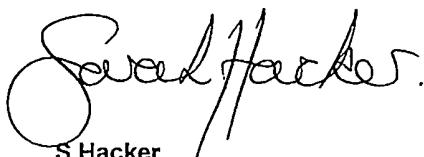
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 23 November 2017 and signed on its behalf by:



S Hacker
Chair of Trustees

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

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

GATEWAY ACADEMY
(A company limited by guarantee)

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

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 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.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

GATEWAY ACADEMY
(A company limited by guarantee)

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Ltd

Chartered Accountants and Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR
23 November 2017

GATEWAY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 13 August 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gateway Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gateway Academy and the 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Review of the Academy Trust's internal control procedures, specifically in respect to regularity, propriety and compliance.
- Focussed testing, driven by our audit of the financial statements, principally checking that:
 - o Grant income received has been expensed on prescribed expenditure; and
 - o Expenditure has been appropriately authorised in accordance with the procedures outlined in the

GATEWAY ACADEMY
(A company limited by guarantee)

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

- Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

CONCLUSION

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

Reporting Accountant

Landau Baker Limited

Chartered Accountants and Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

23 November 2017

GATEWAY ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	-	22,922	22,922	11,493
Charitable activities	3	10,089	4,186,793	-	4,196,882	4,253,820
Other trading activities	4	-	111,059	-	111,059	106,486
Investments	5	-	6,085	-	6,085	8,123
TOTAL INCOME		10,089	4,303,937	22,922	4,336,948	4,379,922
EXPENDITURE ON:						
Charitable activities		11,795	4,338,464	179,518	4,529,777	4,467,713
TOTAL EXPENDITURE	6	11,795	4,338,464	179,518	4,529,777	4,467,713
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	19	(1,706)	(34,527)	(156,596)	(192,829)	(87,791)
		-	(141,828)	141,828	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(1,706)	(176,355)	(14,768)	(192,829)	(87,791)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	171,000	-	171,000	(492,000)
NET MOVEMENT IN FUNDS		(1,706)	(5,355)	(14,768)	(21,829)	(579,791)
RECONCILIATION OF FUNDS:						
Total funds brought forward		10,991	(153,766)	9,277,547	9,134,772	9,714,563
TOTAL FUNDS CARRIED FORWARD		9,285	(159,121)	9,262,779	9,112,943	9,134,772

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		9,262,779		9,277,547
CURRENT ASSETS					
Stocks	16	7,987		9,074	
Debtors	17	143,175		100,599	
Cash at bank and in hand		971,770		1,231,549	
		<u>1,122,932</u>		<u>1,341,222</u>	
CREDITORS: amounts falling due within one year	18	(264,768)		(397,997)	
NET CURRENT ASSETS			858,164		943,225
TOTAL ASSETS LESS CURRENT LIABILITIES			10,120,943		10,220,772
Defined benefit pension scheme liability	23		(1,008,000)		(1,086,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>9,112,943</u>		<u>9,134,772</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	848,879		932,234	
Restricted fixed asset funds	19	9,262,779		9,277,547	
Restricted income funds excluding pension liability		<u>10,111,658</u>		<u>10,209,781</u>	
Pension reserve		(1,008,000)		(1,086,000)	
Total restricted income funds			9,103,658		9,123,781
Unrestricted income funds	19		9,285		10,991
TOTAL FUNDS			<u>9,112,943</u>		<u>9,134,772</u>

The financial statements on pages 25 to 45 were approved by the Trustees, and authorised for issue, on 23 November 2017 and are signed on their behalf, by:


S. Hacker
Chair of Trustees

GATEWAY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(117,951)	141,960
Cash flows from investing activities:			
Purchase of tangible fixed assets		(164,750)	(90,006)
Capital grants from DfE/ESFA		22,922	11,493
Net cash used in investing activities		(141,828)	(78,513)
Change in cash and cash equivalents in the year		(259,779)	63,447
Cash and cash equivalents brought forward		1,231,549	1,168,102
Cash and cash equivalents carried forward		971,770	1,231,549

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

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

1.3 Income

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

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

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

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

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

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

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

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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
Fixtures and fittings	-	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 incorporating income and expenditure account.

1.6 Operating leases

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

GATEWAY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 Stocks

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

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

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

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

1.12 Taxation

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

GATEWAY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Capital Grants	-	-	22,922	22,922	11,493
<i>Total 2016</i>	-	-	11,493	11,493	

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Gateway Academy

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grants	-	3,172,436	3,172,436	3,186,147
Pupil Premium	-	454,300	454,300	502,190
Other ESFA Grants	-	107,820	107,820	105,915
School fund income	10,089	-	10,089	11,150
	<u>10,089</u>	<u>3,734,556</u>	<u>3,744,645</u>	<u>3,805,402</u>
Other government grants				
SEN Funding	-	161,811	161,811	116,786
Early Years Funding	-	285,441	285,441	314,244
	<u>-</u>	<u>447,252</u>	<u>447,252</u>	<u>431,030</u>
Other funding				
Other income	-	4,985	4,985	17,388
	<u>-</u>	<u>4,985</u>	<u>4,985</u>	<u>17,388</u>
	<u>10,089</u>	<u>4,186,793</u>	<u>4,196,882</u>	<u>4,253,820</u>
<i>Total 2016</i>	<u>11,150</u>	<u>4,242,670</u>	<u>4,253,820</u>	

4. OTHER TRADING ACTIVITIES

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering income	65,436	65,436	63,074
Letting income	5,080	5,080	5,190
Training income	10,200	10,200	8,267
Sales of goods	14,164	14,164	12,438
Other income	16,179	16,179	17,517
	<u>111,059</u>	<u>111,059</u>	<u>106,486</u>
<i>Total 2016</i>	<u>106,486</u>	<u>106,486</u>	

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	-	6,085	6,085	8,123
<i>Total 2016</i>	-	8,123	8,123	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	2,988,042	116,025	374,644	3,478,711	3,377,541
Support costs	484,851	96,164	470,051	1,051,066	1,090,172
	<u>3,472,893</u>	<u>212,189</u>	<u>844,695</u>	<u>4,529,777</u>	<u>4,467,713</u>
<i>Total 2016</i>	<u>3,338,815</u>	<u>164,617</u>	<u>964,281</u>	<u>4,467,713</u>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	3,478,711	1,051,066	4,529,777	4,467,713
<i>Total 2016</i>	<u>3,377,541</u>	<u>1,090,172</u>	<u>4,467,713</u>	

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. DIRECT COSTS

	Educational Operations £	Total 2017 £	Total 2016 £
Educational supplies	240,179	240,179	212,262
Agency supply	395,838	395,838	439,301
Examination fees	10,725	10,725	10,690
Staff development	41,635	41,635	55,206
Educational Consultancy	16,064	16,064	46,743
Security and transport	2,548	2,548	2,136
Wages and salaries	2,102,352	2,102,352	1,987,076
National insurance	188,513	188,513	155,433
Pension cost	301,339	301,339	277,777
Depreciation	179,518	179,518	190,917
	<u>3,478,711</u>	<u>3,478,711</u>	<u>3,377,541</u>
<i>At 31 August 2016</i>	<u>3,377,541</u>	<u>3,377,541</u>	

9. SUPPORT COSTS

	Educational Operations £	Total 2017 £	Total 2016 £
Pension finance costs	24,000	24,000	21,000
Educational supplies	13,163	13,163	13,386
Technology costs	33,878	33,878	35,848
Agency supply	23,731	23,731	15,395
Educational Consultancy	13,086	13,086	5,394
Recruitment and support	8,867	8,867	11,930
Maintenance of premises	96,164	96,164	100,528
Maintenance of equipments	12,179	12,179	10,508
Cleaning	21,972	21,972	19,495
Rent & rates	31,061	31,061	29,017
Energy costs	18,192	18,192	33,994
Insurance	13,997	13,997	17,300
Catering	191,050	191,050	235,220
Bank interest and charges	180	180	174
Other support costs	55,548	55,548	50,762
Other staff costs	3,323	3,323	7,383
Professional fees	17,412	17,412	11,422
Governance costs	12,143	12,143	7,583
Wages and salaries	327,873	327,873	331,725
National insurance	22,830	22,830	20,683
Pension cost	110,417	110,417	111,425
	<u>1,051,066</u>	<u>1,051,066</u>	<u>1,090,172</u>
<i>At 31 August 2016</i>	<u>1,090,172</u>	<u>1,090,172</u>	

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	179,518	190,917
Auditors' remuneration - audit	4,000	4,000
Auditors' remuneration - other services	8,143	3,583
Operating lease rentals	1,739	245
	<u>183,300</u>	<u>198,745</u>

11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,430,225	2,318,801
Social security costs	211,343	176,116
Operating costs of defined benefit pension schemes	411,756	389,202
	<u>3,053,324</u>	<u>2,884,119</u>
Supply teacher costs	395,838	439,301
Support staff supply costs	23,731	15,395
	<u>3,472,893</u>	<u>3,338,815</u>

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

	2017 No.	2016 No.
Management	8	8
Teachers	44	43
Support staff	29	29
	<u>81</u>	<u>80</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	4	2
In the band £90,001 - £100,000	1	1

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £644,549 (2016: £587,000).

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
L Lochner (Principal & Headteacher)	Remuneration	95,000-100,000	90,000-95,000
	Pension contributions paid	15,000-20,000	15,000-20,000
S Rego (Staff Trustee)	Remuneration	NIL	0-5,000
	Pension contributions paid	NIL	0-5,000
L Breslin (Staff Trustee)	Remuneration	60,000-65,000	55,000-60,000
	Pension contributions paid	10,000-15,000	5,000-10,000
N Bye (Staff Trustee)	Remuneration	NIL	30,000-35,000
	Pension contributions paid	NIL	5,000-10,000
S Troll (Staff Trustee)	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	NIL	£NIL
F McTaggart (Staff Trustee)	Remuneration	35,000-40,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

Other related party transactions involving the trustees are set out in note 26.

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 £13,256 included in the total insurance costs.

14. PENSION FINANCE CHARGES

	2017 £	2016 £
Interest income on pension scheme assets	19,000	29,000
Interest on pension scheme liabilities	(43,000)	(50,000)
	<u>(24,000)</u>	<u>(21,000)</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	9,453,505	89,691	239,432	9,782,628
Additions	124,768	9,992	29,990	164,750
At 31 August 2017	9,578,273	99,683	269,422	9,947,378
Depreciation				
At 1 September 2016	339,562	23,429	142,090	505,081
Charge for the year	116,025	9,576	53,917	179,518
At 31 August 2017	455,587	33,005	196,007	684,599
Net book value				
At 31 August 2017	9,122,686	66,678	73,415	9,262,779
At 31 August 2016	9,113,943	66,262	97,342	9,277,547

16. STOCKS

	2017 £	2016 £
Uniforms	7,987	9,074

17. DEBTORS

	2017 £	2016 £
Trade debtors	-	1,600
Prepayments and accrued income	107,432	95,211
VAT recoverable	35,743	3,788
	143,175	100,599

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	21,839	67,184
Other taxation and social security	61,492	56,480
Other creditors	-	304
Accruals and deferred income	181,437	274,029
	<u>264,768</u>	<u>397,997</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	66,885	48,000
Resources deferred during the year	58,413	66,885
Amounts released from previous years	(66,885)	(48,000)
	<u>58,413</u>	<u>66,885</u>
Deferred income at 31 August 2017	58,413	66,885

At the balance sheet date the academy trust was holding funds received in advance for ESFA Universal Infant Free School Meals grant and ESFA Rates grant.

19. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	10,991	10,089	(11,795)	-	-	9,285
Restricted funds						
Restricted Funds - all funds	932,234	4,303,937	(4,245,464)	(141,828)	-	848,879
Pension reserve	(1,086,000)	-	(93,000)	-	171,000	(1,008,000)
	<u>(153,766)</u>	<u>4,303,937</u>	<u>(4,338,464)</u>	<u>(141,828)</u>	<u>171,000</u>	<u>(159,121)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	9,277,547	22,922	(179,518)	141,828	-	9,262,779
Total restricted funds	<u>9,123,781</u>	<u>4,326,859</u>	<u>(4,517,982)</u>	<u>-</u>	<u>171,000</u>	<u>9,103,658</u>
Total of funds	<u>9,134,772</u>	<u>4,336,948</u>	<u>(4,529,777)</u>	<u>-</u>	<u>171,000</u>	<u>9,112,943</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
General Funds - all funds	12,298	11,150	(12,457)	-	-	10,991
	<u>12,298</u>	<u>11,150</u>	<u>(12,457)</u>	<u>-</u>	<u>-</u>	<u>10,991</u>
Restricted funds						
Restricted Funds - all funds	847,807	4,357,279	(4,194,339)	(78,513)	-	932,234
Pension reserve	(524,000)	-	(70,000)	-	(492,000)	(1,086,000)
	<u>323,807</u>	<u>4,357,279</u>	<u>(4,264,339)</u>	<u>(78,513)</u>	<u>(492,000)</u>	<u>(153,766)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	9,378,458	11,493	(190,917)	78,513	-	9,277,547
	<u>9,378,458</u>	<u>11,493</u>	<u>(190,917)</u>	<u>78,513</u>	<u>-</u>	<u>9,277,547</u>
Total restricted funds	<u>9,702,265</u>	<u>4,368,772</u>	<u>(4,455,256)</u>	<u>-</u>	<u>(492,000)</u>	<u>9,123,781</u>
Total of funds	<u>9,714,563</u>	<u>4,379,922</u>	<u>(4,467,713)</u>	<u>-</u>	<u>(492,000)</u>	<u>9,134,772</u>

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

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

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

Restricted general funds are resources for educational purposes.

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

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	9,262,779	9,262,779
Current assets	9,285	1,113,647	-	1,122,932
Creditors due within one year	-	(264,768)	-	(264,768)
Provisions for liabilities and charges	-	(1,008,000)	-	(1,008,000)
	<u>9,285</u>	<u>(159,121)</u>	<u>9,262,779</u>	<u>9,112,943</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	9,277,547	9,277,547
Current assets	10,991	1,330,231	-	1,341,222
Creditors due within one year	-	(397,997)	-	(397,997)
Provisions for liabilities and charges	-	(1,086,000)	-	(1,086,000)
	<u>10,991</u>	<u>(153,766)</u>	<u>9,277,547</u>	<u>9,134,772</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(192,829)	(87,791)
Adjustment for:		
Depreciation charges	179,518	190,917
Decrease/(increase) in stocks	1,087	(3,703)
(Increase)/decrease in debtors	(42,576)	49,693
Decrease in creditors	(133,229)	(65,663)
Capital grants from DfE and other capital income	(22,922)	(11,493)
Defined benefit pension scheme cost less contributions payable	69,000	49,000
Defined benefit pension scheme finance cost	24,000	21,000
Net cash (used in)/provided by operating activities	<u>(117,951)</u>	<u>141,960</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	971,770	1,231,549
Total	<u>971,770</u>	<u>1,231,549</u>

23. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- 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%.

GATEWAY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS (continued)

The current rate of 16.48% has been in place since 1st September 2015. 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £274,817 (2016 - £256,692).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £72,000 (2016 - £66,000), of which employer's contributions totalled £52,000 (2016 - £45,000) and employees' contributions totalled £20,000 (2016 - £21,000). The agreed contribution rates for future years are 18.6% for employers and 5.5 to 8.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	24.4	22.1
Females	26.0	25.3
Retiring in 20 years		
Males	26.7	24.4
Females	28.3	27.7

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	811,000	636,000
Gilts	147,000	22,000
Property	92,000	83,000
Cash	15,000	5,000
Total market value of assets	<u>1,065,000</u>	<u>843,000</u>

The actual return on scheme assets was £161,000 (2016 - £73,000).

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

	2017 £	2016 £
Current service cost	(121,000)	(94,000)
Interest income	19,000	29,000
Interest cost	(43,000)	(50,000)
Total	<u>(145,000)</u>	<u>(115,000)</u>
Actual return on scheme assets	<u>161,000</u>	<u>73,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,929,000	1,228,000
Current service cost	121,000	94,000
Interest cost	43,000	50,000
Employee contributions	20,000	21,000
Actuarial (gains)/losses	(28,000)	536,000
Benefits paid	(12,000)	-
Closing defined benefit obligation	<u>2,073,000</u>	<u>1,929,000</u>

GATEWAY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	843,000	704,000
Interest income	19,000	29,000
Actuarial gains/(losses)	143,000	44,000
Employer contributions	52,000	45,000
Employee contributions	20,000	21,000
Benefits paid	(12,000)	-
	<u>1,065,000</u>	<u>843,000</u>
Closing fair value of scheme assets	<u>1,065,000</u>	<u>843,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	4,516	4,011
Between 1 and 5 years	8,029	1,717
Total	<u>12,545</u>	<u>5,728</u>

25. MEMBERS' LIABILITY

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

26. RELATED PARTY TRANSACTIONS

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

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