

**GATEWAY LEARNING COMMUNITY**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**GATEWAY LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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**GATEWAY LEARNING COMMUNITY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	P Murray Duncan Murray Di Murray H Hodgson D Austen
<b>Trustees</b>	H Hodgson, Chair G Foster P Connew P Ward M Smith M Bentley L Harris K Sadler, Ex-Officio (CEO)
<b>Company registered number</b>	05853746
<b>Company name</b>	The Gateway Learning Community Trust
<b>Principal and registered office</b>	Marshfoot Road Grays Essex RM16 4LU
<b>Company secretary</b>	J Jones
<b>Senior management team</b>	K Sadler, CEO V Reid, Deputy CEO G McLaughlin, Head of School (Gateway Academy) D George, Head of School (GPFS & Pioneer) S Otto, Head of School (Herringham) E Laikin, Head of School (Lansdowne)
<b>Independent auditors</b>	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR
<b>Bankers</b>	NatWest 17 High Street Grays RM17 6NP
<b>Solicitors</b>	Stone King 16 St John's Lane London EC1M 4BS

**GATEWAY LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 12 months period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's memorandum and articles of association are the primary governing documents of the academy.

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

The charitable company is known as Gateway Learning Community .

Details of the Trustees who served during the 12 months period, and to the date these accounts are approved 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.

**Directors' 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 Articles of Association.

The Trust will advertise to fill existing posts as well as using organisations such as Academies Ambassadors. Additionally existing directors may nominate suitable candidates, who will be considered by the Scrutiny Committee.

**Policies adopted for the induction and training of Trustees**

Directors receive a comprehensive induction pack upon appointment. Each director is assigned a mentor who works with them to ensure they understand their role sufficiently.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**Organisational structure**

The Gateway Learning Community is governed by a Board of Directors (which is also the governing body) constituted under the Memorandum and Articles of Association. The directors are responsible for ensuring high standards of corporate governance are maintained. The directors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Gateway Learning Community and shall consider any advice given by the CEO, addressing such matters as

- Policy development and strategic development,
- Ensuring sound management and administration of the Gateway Learning Community
- Ensuring compliance with legal requirements
- Ensuring effective internal controls are in operation
- The monitoring of performance,
- Helping the Gateway Learning Community to be responsive to the needs of the parents, carers and the community,
- Setting the Gateway Learning Community's standards of conduct and value, and
- Assessing and managing risk

A full trustee's meeting is held at least once a term.

The CEO assumes the accounting officer role

**Risk Management**

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

**Connected Organisations**

The Ormiston Trust is the sponsor of The Gateway Learning Community.

The Ormiston Trust works to promote the well-being of children and young people, especially those disadvantaged by their life experiences or circumstances. This is achieved through direct service provision and by raising awareness of related issues through research, publications, conferences and events.

The Ormiston Trust is one of the largest voluntary providers of support services to children and families in the Eastern region. Their vision is of a society where every child and young person feels valued, safe and free from prejudice, isolation and stigma.

**Objectives and activities**

The Gateway Learning Community is a partnership of local schools (one secondary and four primary) supporting and challenging each other to offer every member of our community opportunities to develop as: high achieving, confident, healthy, caring and fulfilled members of society.

**GATEWAY LEARNING COMMUNITY**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**(continued)**

**Objectives, strategies and activities**

The aims detailed above will be achieved through:

- The development of positive relationships to prepare students for learning and life
- Excellent teaching, achievement and progress
- An inspiring and meaningful curriculum
- The Development of effective partnerships and services for the benefit of all the community.

**Public benefit**

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The directors consider that the Gateway Learning Community aims are demonstrably to the public benefit.

**Strategic report**

**Achievements and performance**

**Key performance indicators**

To end of the academic year 2019 the GLC academies are graded by Ofsted as follows:

- |                               |                      |
|-------------------------------|----------------------|
| • The Gateway Academy         | Good                 |
| • Herringham Primary Academy  | Requires Improvement |
| • Gateway Primary Free School | Good                 |
| • Lansdowne Primary Academy   | Good                 |
| • Tilbury Pioneer Academy     | Good                 |

Our mission has been to transform the educational provision within Tilbury and Chadwell. We are working hard to address our weaknesses and to ensure that each academy within the MAT is rated good by Ofsted.

The Gateway Academy and The Gateway Primary Free School have been inspected by Ofsted in the last 12 months and both have been graded as Good.

The provision across the academies in the MAT continues to be negatively affected by the high levels of teacher mobility and the increasing difficulties in recruiting suitably qualified teachers. In the past we have successfully recruited from overseas but this, due to the visa restrictions imposed by the Government, has become increasingly challenging. We continue to work hard to develop a wide ranging recruitment and retention strategy and can report that indicators suggest that we will retain a good proportion of our staff this year and are being increasingly successful in recruiting local teachers. This will be a major factor in raising standards.

**The Gateway Academy 2019 outcomes**

The GCSE outcomes at Gateway slipped with a weaker cohort but is continuing an overall upward trend. We have significant concerns regarding the marking of the English Language Paper 1. We have employed a former Edexcel Examiner Team Leader to remark the papers and have discovered that 67 students have been awarded a lower marks than they have achieved. With the correct marking, we believe that Basics would be 70%. We are currently pursuing a formal complaint with the Edexcel.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

Strategic report (continued)

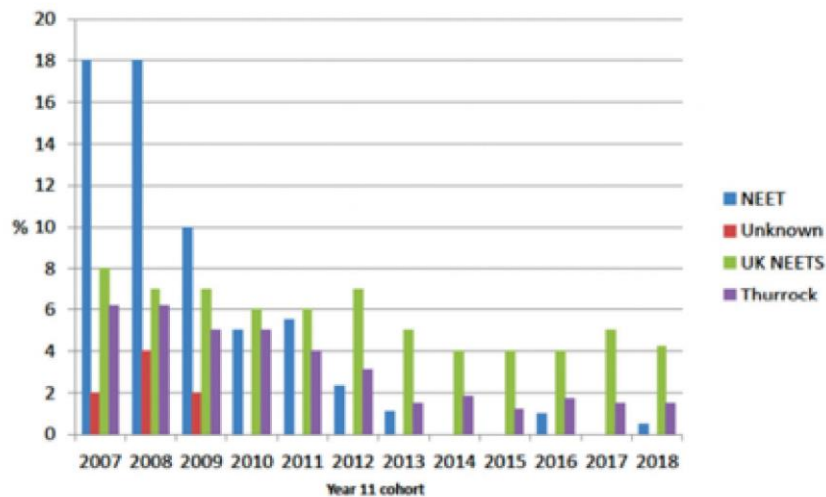
Achievements and performance (continued)

We are currently appealing against the marking of 67 English Language papers

	Gateway Academy Year 11 Attainment Tracking 2017 -19											
	Grade 4+						Grade 5+					
	Y6 Ex+	2017	2018	2019	Trend	P. A.	Y6 Ex+	2017	2018	2019	Trend	P. A.
Basics	49	47	59	55	+8	+6	18	31	38	34	+3	+16
English	61	52	69	64	+12	+3	28	40	50	43	+3	+39
Maths	59	62	69	66	+4	+7	27	43	48	45	+2	+18

The table below shows the NEET figures from the point that Gateway Academy was opened. These show the impact of the tailored curriculum and CEIAG provision at the Academy. At the time of writing this report, there are no NEETs in the 2019 Year 11 cohort.

**The Gateway Academy NEETs and Unknowns**



GLC Primary Schools' Combined Outcome trends from 2016-2020

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

Year 6 EXPECTED +	Combined											The data provides evidence of the improvements secured over time across the core curriculum. Improvement strategies in the teaching of reading, writing and maths as well as phonics and spelling are impacting as the parallel recruitment and retention and leadership enhancement strategies result in improved retention and overall quality of teaching.
	2016 School	2016 NA	2017 School	2017 NA	2018 School	2018 NA	2019 School	2019 NA	2016 - 2019	2020 School	2016-2020	
Gateway Primary Free School	27		47		52		61		+34	70	+43	
Herringham Primary Academy	48		51		55		48		0	65	+17	
Lansdowne Primary Academy	20	53	38	61	43	64	42	65	+22	55	+35	
Tilbury Pioneer Academy	-		-		-		72		NA	73	+1	

Year 6 Greater Depth	Combined											Tilbury Pioneer's first cohort of Year 6 pupils achieved above the National Average in all subjects at both the expected level and at greater depth. Each of the primary schools within the GLC are on an improving trend. Given that pupils are significantly below expectations on entry, the progress is pleasing. However, our expectation is that all pupils will reach the expected standard and will be above the National Average for greater depth.
	2016 School	2016 NA	2017 School	2017 NA	2018 School	2018 NA	2019 School	2019 NA	2016 - 2019	2020 School	2016-2020	
Gateway Primary Free School	1		7		9		12		+11	14	+13	
Herringham Primary Academy	2		5		3		5		+3	11	+9	
Lansdowne Primary Academy	0	5	5	9	1	10	4	11	+4	7	+7	
Tilbury Pioneer Academy	-		-		-		12		NA	15	+3	

Common to each GLC is that Ofsted judged pupils' personal development, behavior and welfare to be consistently good. All those who visit our academies agree that our young people are well-behaved and ready to learn.

Our strengths arise from our common commitment to our young people and their community. GLC Staff are amongst the most committed and passionate you will find anywhere. Staff are prepared to go the extra mile to support our young people and give them a chance to be a success. This is why the ethos of each GLC academy is so positive. Our mission statement is followed by four strands that will be developed to achieve the mission, the first of which is positive relationships. Those who visit our academies invariably praise the good relationships that exist. We believe that good relationships are an essential foundation upon which effective schools can function.

Another strength is our partnership. The GLC has never been about the 'big' secondary school and 'taking over' the feeder primaries, our MAT is a true partnership of all equals all focused on a common goal. We are not a clubs of schools but an increasingly integrated organization set to benefit from the synergies created by partnership and shared accountability. Our joint policies; the work of the GLC Central Team and the over-sight of the GLC board are key to maximizing the long-term benefits of this.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

Our leadership is reflective and responsive to whatever confronts us. We are relentlessly reflective; the first to acknowledge our weaknesses and increasingly outward looking to seek ways to address them.

Our ambition for our young people knows no bounds and increasingly this is shared by our pupils and the wider community creating a virtuous circle of improvement.

Governance continues to be a strength of the GLC recognised both by Ofsted and the Regional Commissioner. The GLC Board has been reconstituted in-line with DFE guidance and reduced to a maximum of 9 directors.

All of the GLC academies remain very popular.

**Going concern**

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

**Financial review**

**Financial Report for the Period**

Most of the Gateway Learning Community's income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ended 31<sup>st</sup> August 2019 and the associated expenditure are shown as restricted funds in the statement of funds in note 20.

**Financial Position**

<b>GLC Academy</b>	<b>Reserves</b>	<b>Allocated Funds Purpose</b>	<b>Amount</b>	<b>Balance</b>
Gateway	329	4G Astroturf seed funding	125	204
Gateway Primary Free School	229	New nursery provision	100	129
Herringham	290	Year 2 building project and nursery provision	125	165
Lansdowne	644	Additional staffing to increase capacity	100	544
Tilbury Pioneer	963	New Building	600	363
<b>Consolidated</b>	<b>2,455</b>		<b>1,050</b>	<b>1,405</b>

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Financial review (continued)**

**Principal risks and uncertainties**

The Directors consider the following to be the key risks faced by the Gateway Learning Community:

- Ongoing issues with the recruitment and retention of qualified and experienced teachers
- A reduction in recruitment of pupils due to increased local competition or reputational damage

**Reserves policy**

The directors have reviewed the reserves of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the directors.

The Gateway Learning Community currently has Consolidated Reserves of £2.455m. Some of these reserves have been ringfenced for various projects. These are detailed under 'Financial Position' above.

After ringfencing this will leave The Gateway Learning Community with a Consolidated Reserve Balance of £1.405m.

**Investment policy**

With an improved financial position the Gateway Learning Community is currently taking advice on options for investment of surplus and are creating a policy for future investment opportunities.

**Fundraising**

All schools raise funds for a number of registered charities. These funds are raised through sponsorship and donations; there is no obligation for any child/parent to donate. All funds/donations collected are given to the relevant charity in a timely manner. Funds are raised through various events held in the school such as non-uniform days, quiz questions etc. This will be developed further over future months.

**Plans for future periods**

Our key development areas for 2019-20 are as the following intentions:

- To develop leadership at all levels of the GLC to ensure that all GLC policies are consistently delivered in order that overall provision for every young person is at least good and often outstanding.
- All teachers will provide motivating, purposeful and appropriately tailored experiences that meet every child's learning needs to ensure they may good progress.
- All pupils will develop and sustain a love of reading as a vehicle to acquire an increasingly broad and complex vocabulary and an ability to write effectively, and with increasing sophistication, in a broad range of genres.
- Every young person within the GLC to secure conceptual understanding of number to ensure that they access every stage of the mathematics curriculum.
- To continue to improve the outcomes for all pupils deemed to be disadvantaged.
- To make significant in-roads in developing support systems and provision to eradicate social, emotional and environmental barriers so that all children show good attitudes to learning, are able to self-regulate their behavior and develop metacognitive skills.
- To increase pupils vocabulary and to develop their oracy skills in order to communicate to a range of audiences with confidence and clarity and to use effective talk as a vehicle to learn.
- To continue to develop the GLC Board sub-committees to provide effective governance across all GLC schools

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**Plans for future periods (continued)**

**Funds Held as Custodian Trustee on Behalf of Others**

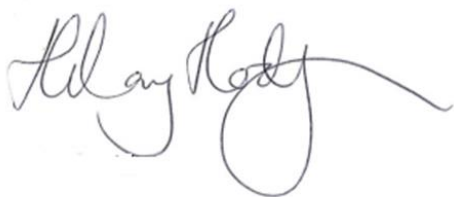
The Gateway Learning Community and/or its trustees did not act as custodian trustee during the current or previous period.

**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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 19 December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'H Hodgson', with a long, sweeping flourish extending to the right.

**H Hodgson**  
**Chair of Trustees**

**GATEWAY LEARNING COMMUNITY**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Gateway Learning Community 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 CEO, 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 Learning Community 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 12 months period.

Attendance during the 12 months period at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Hodgson, Chair	6	6
Kevin Sadler, CEO	6	6
Victoria Reid	6	6
Paul Connew	6	6
Margaret Smith	5	6
Graham Foster	6	6
Maureen Bentley	6	6
Peter Ward	1	6
Lynda Pritchard	5	6
Lucy Harris	6	6

**Review of value for money**

As accounting officer, the CEO 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 available.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gateway Learning Community for the 12 months period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**GOVERNANCE STATEMENT (CONTINUED)**

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the 12 months period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Landau Baker as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of VAT
- testing of capital expenditure
- testing of income
- testing of debtors/creditors
- testing of financial reports to governors
- testing of transaction processes/Virements
- testing of policy documents

On a half termly basis basis, the CEO reports to the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

**GOVERNANCE STATEMENT (CONTINUED)**

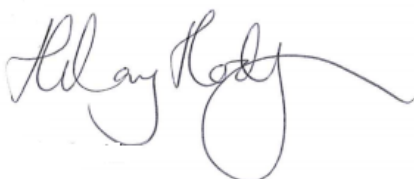
**Review of effectiveness**

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the 12 months period in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 19 December 2019 and signed on their behalf by:



**Hilary Hodgson**  
**Chair of Trustees**



**Kevin Sadler**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Kevin Sadler**  
**Accounting Officer**  
Date: 19 December 2019

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

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

Company law requires the Trustees to prepare financial statements for each financial 12 months period. 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:

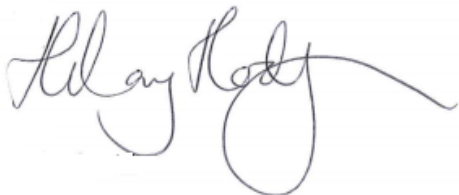
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 19 December 2019 and signed on its behalf by:



**H Hodgson**  
**Chair of Trustees**



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

**Opinion**

We have audited the financial statements of Gateway Learning Community (the 'academy') for the 12 months period ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the 12 months period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
GATEWAY LEARNING COMMUNITY (CONTINUED)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

**GATEWAY LEARNING COMMUNITY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
GATEWAY LEARNING COMMUNITY (CONTINUED)**

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

 for Landau Baker Limited

**Michael Durst (Senior statutory auditor)**

for and on behalf of

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

19 December 2019

**GATEWAY LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 26 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gateway Learning Community during the 12 months period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Gateway Learning Community's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Gateway Learning Community's funding agreement with the Secretary of State for Education dated 1 September 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 12 months period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

**GATEWAY LEARNING COMMUNITY**  
**(A company limited by guarantee)**

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the 12 months period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Landau Baker Limited*

**Reporting Accountant**

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

Date: 19 December 2019

**GATEWAY LEARNING COMMUNITY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
<b>Income from:</b>					
Donations and capital grants	3	176	2	1,944	2,122
Charitable activities		-	16,156	-	16,156
Other trading activities		694	187	-	881
Investments	6	15	-	-	15
		<u>885</u>	<u>16,345</u>	<u>1,944</u>	<u>19,174</u>
<b>Total income</b>					<u>19,589</u>
<b>Expenditure on:</b>					
Raising funds		32	-	-	32
Charitable activities	8	-	19,069	1,253	20,322
		<u>32</u>	<u>19,069</u>	<u>1,253</u>	<u>20,354</u>
<b>Total expenditure</b>					<u>19,966</u>
<b>Net income/(expenditure)</b>		<u>853</u>	<u>(2,724)</u>	<u>691</u>	<u>(1,180)</u>
Transfers between funds	20	-	(696)	696	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>853</u>	<u>(3,420)</u>	<u>1,387</u>	<u>(1,180)</u>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	26	-	(1,408)	-	(1,408)
<b>Net movement in funds</b>		<u>853</u>	<u>(4,828)</u>	<u>1,387</u>	<u>(2,588)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,565	(9,073)	44,288	38,780
Net movement in funds		853	(4,828)	1,387	(2,588)
<b>Total funds carried forward</b>		<u>4,418</u>	<u>(13,901)</u>	<u>45,675</u>	<u>36,192</u>

The Statement of financial activities includes all gains and losses recognised in the 12 months period.

The notes on pages 23 to 47 form part of these financial statements.

**GATEWAY LEARNING COMMUNITY**  
(A company limited by guarantee)

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	15	44,200	43,505
		44,200	43,505
<b>Current assets</b>			
Stocks	16	23	41
Debtors	17	590	478
Cash at bank and in hand		4,424	4,563
		5,037	5,082
Creditors: amounts falling due within one year	18	(1,107)	(965)
		3,930	4,117
<b>Total assets less current liabilities</b>		48,130	47,622
<b>Net assets excluding pension liability</b>		48,130	47,622
Defined benefit pension scheme liability	26	(11,938)	(8,842)
<b>Total net assets</b>		36,192	38,780
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	45,675	44,288
Restricted income funds	20	(1,963)	(231)
		43,712	44,057
Restricted funds excluding pension asset	20	43,712	44,057
Pension reserve	20	(11,938)	(8,842)
		31,774	35,215
<b>Total restricted funds</b>	20	31,774	35,215
<b>Unrestricted income funds</b>	20	4,418	3,565
		36,192	38,780

The financial statements on pages 20 to 47 were approved by the Trustees, and authorised for issue on 19 December 2019 and are signed on their behalf, by:



**H Hodgson**  
**Chair of Trustees**

The notes on pages 23 to 47 form part of these financial statements.

**GATEWAY LEARNING COMMUNITY**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

	<b>Note</b>	<b>2019</b> <b>£000</b>	<i>2018</i> <i>£000</i>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	22	<b>(163)</b>	259
<b>Cash flows from investing activities</b>			
	24	<b>10</b>	577
<b>Cash flows from financing activities</b>			
	23	<b>14</b>	-
<b>Change in cash and cash equivalents in the 12 months period</b>		<b>(139)</b>	836
Cash and cash equivalents at the beginning of the 12 months period		<b>4,563</b>	3,727
<b>Cash and cash equivalents at the end of the 12 months period</b>	25	<b>4,424</b>	<u>4,563</u>

The notes on pages 23 to 47 form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

Gateway Learning Community meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

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

**1.3 Income**

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

• **Legacies**

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

• **Grants**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

which they are expended.

- **Donations**

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

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.5 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Leasehold property	- 2% straight line
Furniture and fixtures	- 10% straight line
Motor vehicles	- 33% straight line
Computer equipment	- 33% straight line
Motor vehicles	-

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

**1.6 Stocks**

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

**1.7 Debtors**

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

**1.8 Cash at bank and in hand**

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

**1.9 Liabilities**

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

**1.10 Financial instruments**

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

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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 instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.11 Pensions**

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

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

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

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

**1.12 Fund accounting**

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

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

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

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

**GATEWAY LEARNING COMMUNITY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

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

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Donations	24	2	-	<b>26</b>	17
Capital Grants	-	-	1,944	<b>1,944</b>	1,877
Ormiston sponsorship	152	-	-	<b>152</b>	152
	<u>176</u>	<u>2</u>	<u>1,944</u>	<u><b>2,122</b></u>	<u>2,046</u>
<i>Total 2018</i>	<u>167</u>	<u>2</u>	<u>1,877</u>	<u>2,046</u>	

**GATEWAY LEARNING COMMUNITY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**4. Funding for the academy's educational activities**

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>Total funds 2018 £000</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	13,321	<b>13,321</b>	13,954
Other DfE/ESFA Grants	2,128	<b>2,128</b>	1,868
	<hr/> 15,449	<hr/> <b>15,449</b>	<hr/> 15,822
<b>Other government grants</b>			
Local Authority Grants	681	<b>681</b>	647
	<hr/> 681	<hr/> <b>681</b>	<hr/> 647
<b>Other funding</b>			
Other Income	26	<b>26</b>	-
	<hr/> 16,156	<hr/> <b>16,156</b>	<hr/> 16,469
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>Total funds 2018 £000</i>
Hire of facilities	72	-	<b>72</b>	76
Catering income	363	-	<b>363</b>	398
Sundry income	259	187	<b>446</b>	595
	<hr/> 694	<hr/> 187	<hr/> <b>881</b>	<hr/> 1,069
	<hr/> <hr/> 890	<hr/> <hr/> 179	<hr/> <hr/> 1,069	
<i>Total 2018</i>				

**6. Investment income**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>Total funds 2018 £000</i>
Investment income	15	<b>15</b>	5
	<hr/>	<hr/>	<hr/>

**GATEWAY LEARNING COMMUNITY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**7. Expenditure**

	<b>Staff Costs</b>	<b>Premises</b>	<b>Other</b>	<b>Total</b>	<i>Total</i>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Expenditure on raising voluntary income:					
Direct costs	-	-	32	<b>32</b>	99
Educational activities:					
Direct costs	12,377	-	1,272	<b>13,649</b>	13,322
Allocated support costs	1,382	880	4,411	<b>6,673</b>	6,545
	<u>13,759</u>	<u>880</u>	<u>5,715</u>	<u><b>20,354</b></u>	<u>19,966</u>
<i>Total 2018</i>	<u>13,856</u>	<u>934</u>	<u>5,176</u>	<u>19,966</u>	

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds</b>	<b>Total funds</b>	<i>Total funds</i>
	<b>2019</b>	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<b>£000</b>	<i>£000</i>
Educational activities	20,322	<b>20,322</b>	19,867

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total funds</b>	<i>Total funds</i>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Educational activities	13,649	6,673	<b>20,322</b>	19,867
<i>Total 2018</i>	<u>13,322</u>	<u>6,545</u>	<u>19,867</u>	

**GATEWAY LEARNING COMMUNITY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational activities 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>Total funds 2018 £000</i>
Staff costs	12,377	<b>12,377</b>	12,082
Educational supplies	349	<b>349</b>	330
Examination fees	84	<b>84</b>	86
Staff development	109	<b>109</b>	87
Technology costs	178	<b>178</b>	194
Travel and subsistence	29	<b>29</b>	29
Other direct costs	304	<b>304</b>	308
Professional curriculum	219	<b>219</b>	206
	<hr/>	<hr/>	<hr/>
	13,649	<b>13,649</b>	13,322
	<hr/>	<hr/>	<hr/>

**Analysis of support costs**

	<b>Educational activities 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>Total funds 2018 £000</i>
Pension finance costs	225	<b>225</b>	260
Staff costs	1,351	<b>1,351</b>	1,721
Depreciation	1,255	<b>1,255</b>	1,257
Professional curriculum	398	<b>398</b>	289
Recruitment and support	148	<b>148</b>	170
Maintenance of premises and equipment	290	<b>290</b>	358
Cleaning	39	<b>39</b>	38
Energy costs	334	<b>334</b>	307
Rent and rates	143	<b>143</b>	152
Insurance	74	<b>74</b>	79
Security and transport	19	<b>19</b>	46
Catering	633	<b>633</b>	532
Bank interest and charges	23	<b>23</b>	16
Other support costs	244	<b>244</b>	369
Governance costs	35	<b>35</b>	41
Non cash pension costs	1,462	<b>1,462</b>	910
	<hr/>	<hr/>	<hr/>
	6,673	<b>6,673</b>	6,545
	<hr/>	<hr/>	<hr/>



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**10. Net income/(expenditure)**

Net income/(expenditure) for the 12 months period includes:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Operating lease rentals	24	50
Depreciation of tangible fixed assets	1,255	1,257
Fees paid to auditors for:		
- audit	15	15
	<b>          </b>	<i>          </i>

**11. Staff costs**

**a. Staff costs**

Staff costs during the 12 months period were as follows:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	11,105	10,574
Social security costs	998	1,051
Pension costs	1,496	1,845
	<b>13,599</b>	<i>13,470</i>
Agency staff costs	160	313
Staff restructuring costs	-	73
	<b>13,759</b>	<i>13,856</i>

Staff restructuring costs comprise:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Redundancy payments	-	47
Severance payments	-	26
	-	<i>73</i>

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

Included within staff costs are non statutory/non contractual severance payments totalling £NIL (2018: £26,000).

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**11. Staff costs (continued)**

**c. Staff numbers**

The average number of persons employed by the academy during the 12 months period was as follows:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>162</b>	<i>166</i>
Administration and support	<b>208</b>	<i>283</i>
Management	<b>17</b>	<i>18</i>
	<b>387</b>	<i>467</i>

**d. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>3</b>	<i>3</i>
In the band £70,001 - £80,000	<b>3</b>	<i>5</i>
In the band £80,001 - £90,000	<b>1</b>	<i>1</i>
In the band £100,001 - £110,000	<b>-</b>	<i>1</i>
In the band £110,001 - £120,000	<b>1</b>	<i>-</i>
In the band £150,001 - £160,000	<b>1</b>	<i>1</i>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the executive team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust during the year was £1,200,000 (2018: £1,556,000).

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**12. Central services**

The academy has provided the following central services to its academies during the 12 months period:

- Finance support and consolidated services
- Site oversight and cover support
- Educational welfare support
- Attendance services
- Speech therapy services
- Educational psychologist services
- Curriculum support
- Extended provision support

The academy charges for these services on the following basis:

Through the provision of a central fund created from a 5% top slice of each academies budget.

The actual amounts charged during the 12 months period were as follows:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
The Gateway Academy	<b>306</b>	<i>325</i>
The Gateway Primary Free School	<b>100</b>	<i>107</i>
Herringham Primary Academy	<b>94</b>	<i>95</i>
Lansdowne Primary Academy	<b>149</b>	<i>150</i>
Tilbury Primary Academy	<b>89</b>	<i>94</i>
<b>Total</b>	<b>738</b>	<i>771</i>

**13. Related Party Transactions- Trustees' remuneration and expenses**

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

		<b>2019</b>	<i>2018</i>
		<b>£000</b>	<i>£000</i>
K Sadler, CEO	Remuneration	<b>155 - 160</b>	<i>155 - 160</i>
	Pension contributions paid	<b>25 - 30</b>	<i>25 - 30</i>
V Reid, Principal	Remuneration	<b>110 - 115</b>	<i>100 - 105</i>
	Pension contributions paid	<b>15 - 20</b>	<i>10 - 15</i>

During the 12 months period ended 31 August 2019, no Trustee expenses have been incurred (2018 - £ NIL).

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**14. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the 12 months period ended 31 August 2019 was £4,450 (2018 - £3,920).

**15. Tangible fixed assets**

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2018	49,372	1,309	2,433	76	53,190
Additions	1,699	94	156	-	1,949
Disposals	-	-	(11)	-	(11)
At 31 August 2019	<b>51,071</b>	<b>1,403</b>	<b>2,578</b>	<b>76</b>	<b>55,128</b>
<b>Depreciation</b>					
At 1 September 2018	6,479	1,027	2,135	43	9,684
Charge for the 12 months period	997	64	177	17	1,255
On disposals	-	-	(11)	-	(11)
At 31 August 2019	<b>7,476</b>	<b>1,091</b>	<b>2,301</b>	<b>60</b>	<b>10,928</b>
<b>Net book value</b>					
At 31 August 2019	<b>43,595</b>	<b>312</b>	<b>277</b>	<b>16</b>	<b>44,200</b>
At 31 August 2018	42,893	282	298	32	43,505

**16. Stocks**

	2019 £000	2018 £000
Clothing	23	41

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**17. Debtors**

	2019 £000	2018 £000
<b>Due within one year</b>		
Trade debtors	101	149
Other debtors	18	86
Prepayments and accrued income	471	243
	590	478
	590	478

**18. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Other loans	14	-
Trade creditors	20	120
Other taxation and social security	256	290
Other creditors	104	118
Accruals and deferred income	713	437
	1,107	965
	1,107	965
	2019 £000	2018 £000
Deferred income at 1 September 2018	187	247
Resources deferred during the 12 months period	294	187
Amounts released from previous periods	(187)	(247)
	294	187
	294	187

At the balance sheet date the academy trust was holding funds received in advance for grant income relating to 2019/2020.

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**19. Financial instruments**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>4,424</b>	<i>4,563</i>
Financial assets that are debt instruments measured at amortised cost	<b>478</b>	<i>345</i>
	<b>4,902</b>	<u><i>4,908</i></u>
	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(557)</b>	<u><i>(488)</i></u>

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

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

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

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**20. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds - all funds	3,565	885	(32)	-	-	4,418
<b>Restricted general funds</b>						
GAG	(231)	13,321	(14,357)	(696)	-	(1,963)
Pupil premium	-	1,559	(1,559)	-	-	-
Other ESFA fundng	-	569	(569)	-	-	-
LA and other government grants	-	681	(681)	-	-	-
General funds	-	215	(215)	-	-	-
Pension reserve	(8,842)	-	(1,688)	-	(1,408)	(11,938)
	<u>(9,073)</u>	<u>16,345</u>	<u>(19,069)</u>	<u>(696)</u>	<u>(1,408)</u>	<u>(13,901)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	44,288	-	(1,253)	696	-	43,731
Devolved Formula Capital	-	18	-	-	-	18
Condition Improvement Fund	-	1,009	-	-	-	1,009
LA Capital Funding	-	917	-	-	-	917
	<u>44,288</u>	<u>1,944</u>	<u>(1,253)</u>	<u>696</u>	<u>-</u>	<u>45,675</u>
<b>Total Restricted funds</b>	<u>35,215</u>	<u>18,289</u>	<u>(20,322)</u>	<u>-</u>	<u>(1,408)</u>	<u>31,774</u>
<b>Total funds</b>	<u>38,780</u>	<u>19,174</u>	<u>(20,354)</u>	<u>-</u>	<u>(1,408)</u>	<u>36,192</u>

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

Restricted general funds represent grants received for the Gateway Learning Community's operational activities and development.

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**20. Statement of funds (continued)**

Restricted fixed asset fund relates to funding received from the DfE, ESFA and private sponsors to carry out works of a capital nature.

Unrestricted funds are funds available to the Governors to apply for the general purposes of the Gateway Learning Community.

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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
The Gateway Academy	<b>329</b>	<i>511</i>
The Gateway Primary Free School	<b>229</b>	<i>322</i>
Herringham Primary Academy	<b>290</b>	<i>235</i>
Lansdowne Primary Academy	<b>644</b>	<i>1,080</i>
Tilbury Pioneer Primary School	<b>963</b>	<i>1,186</i>
Total before fixed asset funds and pension reserve	<b>2,455</b>	<i>3,334</i>
Restricted fixed asset fund	<b>45,675</b>	<i>44,288</i>
Pension reserve	<b>(11,938)</b>	<i>(8,842)</i>
<b>Total</b>	<b>36,192</b>	<i>38,780</i>



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**20. Statement of funds (continued)**

**Total cost analysis by academy**

Expenditure incurred by each academy during the 12 months period was as follows:

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2019 £000</b>	<i>Total 2018 £000</i>
The Gateway Academy	5,622	1,107	166	1,568	<b>8,463</b>	8,776
The Gateway Primary Free School	1,412	898	46	508	<b>2,864</b>	2,335
Herringham Primary Academy	1,376	232	29	554	<b>2,191</b>	2,143
Lansdowne Primary Academy	2,458	291	153	718	<b>3,620</b>	3,630
Tilbury Pioneer Primary School	1,509	226	47	720	<b>2,502</b>	2,403
Intercompany costs removed on consolidation	-	-	-	(541)	<b>(541)</b>	(586)
<b>Academy</b>	<b>12,377</b>	<b>2,754</b>	<b>441</b>	<b>3,527</b>	<b>19,099</b>	<b>18,701</b>

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**20. Statement of funds (continued)**

Comparative information in respect of the preceding 12 months period is as follows:

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
<b>Unrestricted funds</b>						
General Funds - all funds	2,602	1,062	(99)	-	-	3,565
<b>Restricted general funds</b>						
GAG	752	13,954	(14,736)	(201)	-	(231)
Pupil premium	-	1,493	(1,493)	-	-	-
Other ESFA fundng	-	375	(375)	-	-	-
LA and other government grants	-	647	(647)	-	-	-
General funds	-	181	(181)	-	-	-
Pension reserve	(10,316)	-	(1,170)	-	2,644	(8,842)
	<u>(9,564)</u>	<u>16,650</u>	<u>(18,602)</u>	<u>(201)</u>	<u>2,644</u>	<u>(9,073)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	43,475	-	(1,265)	201	-	42,411
Devolved Formula Capital	-	58	-	-	-	58
Condition Improvement Fund	-	1,432	-	-	-	1,432
LA Capital Funding	-	387	-	-	-	387
	<u>43,475</u>	<u>1,877</u>	<u>(1,265)</u>	<u>201</u>	<u>-</u>	<u>44,288</u>
<b>Total Restricted funds</b>	<u>33,911</u>	<u>18,527</u>	<u>(19,867)</u>	<u>-</u>	<u>2,644</u>	<u>35,215</u>
<b>Total funds</b>	<u><u>36,513</u></u>	<u><u>19,589</u></u>	<u><u>(19,966)</u></u>	<u><u>-</u></u>	<u><u>2,644</u></u>	<u><u>38,780</u></u>

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**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Tangible fixed assets	-	-	44,200	<b>44,200</b>
Current assets	4,418	(856)	1,475	<b>5,037</b>
Creditors due within one year	-	(1,107)	-	<b>(1,107)</b>
Provisions for liabilities and charges	-	(11,938)	-	<b>(11,938)</b>
<b>Total</b>	<b>4,418</b>	<b>(13,901)</b>	<b>45,675</b>	<b>36,192</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	-	43,505	43,505
Current assets	3,565	734	783	5,082
Creditors due within one year	-	(965)	-	(965)
Provisions for liabilities and charges	-	(8,842)	-	(8,842)
<b>Total</b>	<b>3,565</b>	<b>(9,073)</b>	<b>44,288</b>	<b>38,780</b>

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**22. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Net expenditure for the year (as per Statement of financial activities)	<b>(1,180)</b>	<i>(377)</i>
<b>Adjustments for:</b>		
Depreciation	<b>1,255</b>	<i>1,258</i>
Capital grants from DfE and other capital income	<b>(1,944)</b>	<i>(1,877)</i>
Interest receivable	<b>(15)</b>	<i>(5)</i>
Defined benefit pension scheme cost less contributions payable	<b>1,463</b>	<i>910</i>
Defined benefit pension scheme finance cost	<b>225</b>	<i>260</i>
Decrease in stocks	<b>18</b>	<i>-</i>
(Increase)/decrease in debtors	<b>(113)</b>	<i>40</i>
Increase in creditors	<b>128</b>	<i>50</i>
<b>Net cash (used in)/provided by operating activities</b>	<b>(163)</b>	<i>259</i>

**23. Cash flows from financing activities**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Cash inflows from new borrowing	<b>14</b>	<i>-</i>
<b>Net cash provided by financing activities</b>	<b>14</b>	<i>-</i>

**24. Cash flows from investing activities**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Dividends, interest and rents from investments	<b>15</b>	<i>5</i>
Purchase of tangible fixed assets	<b>(1,949)</b>	<i>(1,305)</i>
Capital grants from DfE Group	<b>1,944</b>	<i>1,877</i>
<b>Net cash provided by investing activities</b>	<b>10</b>	<i>577</i>

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**25. Analysis of cash and cash equivalents**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Cash in hand	4,424	4,563
<b>Total cash and cash equivalents</b>	<b>4,424</b>	<i>4,563</i>

**26. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2019.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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**26. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website- <https://www.teacherspensions.co.uk/public/login.aspx>

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015. In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the 12 months period ended 31 August 2019 was £915,000 (2018 - £882,000), of which employer's contributions totalled £704,000 (2018 - £662,000) and employees' contributions totalled £ 211,000 (2018 - £220,000). The agreed contribution rates for future years are 12.2 per cent for employers and 5.5 - 6.5 per cent for employees.

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

**Principal actuarial assumptions**

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

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

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**26. Pension commitments (continued)**

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	6,946	5,996
Debt instruments	1,227	1,053
Property	882	840
Cash	322	321
Other	1,646	1,206
<b>Total market value of assets</b>	<b>11,023</b>	<b>9,416</b>

The actual return on scheme assets was £867,000 (2018 - £314,000).

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

	2019 £000	2018 £000
Current service cost	(1,378)	(1,543)
Past service cost	(266)	(27)
Interest income	261	223
Interest cost	(486)	(483)
Administrative expenses	(4)	(2)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(1,873)</b>	<b>(1,832)</b>

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**26. Pension commitments (continued)**

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>18,258</b>	<b>18,615</b>
Prior year pension scheme obligations	854	-
Current service cost	1,378	1,543
Interest cost	486	483
Employee contributions	211	220
Actuarial losses/(gains)	1,633	(2,330)
Benefits paid	(125)	(300)
Past service costs	266	27
	<hr/>	<hr/>
<b>At 31 August</b>	<b>22,961</b>	<b>18,258</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>9,416</b>	<b>8,299</b>
Prior year pension scheme assets	335	-
Interest income	261	223
Actuarial gains	225	314
Employer contributions	704	662
Employee contributions	211	220
Benefits paid	(125)	(300)
Administrative expenses	(4)	(2)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>11,023</b>	<b>9,416</b>
	<hr/> <hr/>	<hr/> <hr/>

**27. Operating lease commitments**

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

	2019 £000	2018 £000
Not later than 1 year	3	24
Later than 1 year and not later than 5 years	2	5
	<hr/>	<hr/>
	<b>5</b>	<b>29</b>
	<hr/> <hr/>	<hr/> <hr/>



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**28. Members' liability**

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

**29. Related party transactions**

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

During the year an amount of £100,000 (2018: £100,000) was paid to Ormiston Academies Trust for services provided under a partnership agreement. Mr P Murray, a director of the Gateway Learning Community, is also a trustee of the Ormiston Academies Trust.

During the year an amount of £152,000 (2018: £152,000) was received from the Ormiston Trust, the academy trust's sponsor.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.