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**GATEWAY LEARNING COMMUNITY**

**(A company limited by guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

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## GATEWAY LEARNING COMMUNITY

(A company limited by guarantee)

### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Members</b>	P Murray Duncan Murray Di Murray H Hodgson D Austen (resigned 20 August 2020)
<b>Trustees</b>	H Hodgson, Chair G Foster P Connew P Ward M Smith (resigned 20 August 2020) M Bentley (resigned 30 September 2019) L Harris K Sadler, Ex-Officio (CEO) L Pritchard R Bhalla (appointed 18 June 2020)
<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 2020**

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The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates 1 secondary and 4 primary academies in the Tilbury area of Thurrock. Its academies have a combined pupil capacity of 3000 and had a roll of 2927 in the school census October 2020.

#### **Structure, Governance and Management**

##### **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 year, and to the date these accounts are approved are included in the Reference and administrative details on page 11.

##### **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 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 and Procedures 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.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**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 every half term. The CEO assumes the accounting officer role.

**Arrangements for setting pay and remuneration of key management personnel**

The GLC sets out its procedures for setting executive pay in line with the current Academies Financial Handbook in its Financial Authority and Business Policy with further information of the Pay Committee structure in its Performance Management and Capability Policy. A sub committee of the Board of Directors sets a series of objectives linked to the GLCs current development plan that form the basis of pay decisions for all staff including the CEO, Deputy CEO and Heads of School. The Board discharges its responsibilities ensuring its approach to pay is transparent, proportionate and justifiable.

**Objectives and activities**

**Objects and Aims**

The GLC's mission is to develop confident, aspirational, resilient, high achieving, healthy, caring and fulfilled members of a diverse, truly fair and equal community.

**Objectives, strategies and activities**

The aims detailed above will be achieved through:

- The development of positive relationships to prepare students for learning and life
- Outstanding teaching, achievement and progress
- An inspiring and meaningful curriculum
- The development of effective external partnerships for the benefit and wellbeing of our community
- A commitment to the wellbeing of our staff

**TRUSTEES' REPORT (CONTINUED)  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**Objectives and activities (continued)**

**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 2020 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 academic year 19'20 started very positively with pleasing success in addressing high teacher mobility which for a number of years has been a major barrier to progress. All GLC academies are currently fully staffed and each is reporting the lowest levels of teacher mobilities for many years. We anticipated that this would have a positive outcome on all pupil attainment, indeed we believe it has as the attainment tables below show. However, the impact of the Covid19 pandemic meant that's years 11 and 6 students were not able to have their attainment validated by final exams but had to rely on Teachers assessments. The Covid pandemic has brought out the very best in what has always been a thoroughly committed team at the GLC. Colleagues have gone to extraordinary lengths and personal expense to ensure that the most vulnerable young people and families within one of the most deprived communities have been supported. In addition to developing an impressive online offer which in some year groups has been accessed by 95% of all pupils staff provided shelters for families who were made homeless, food for the hungry as well as emotional and financial support. An unintended consequence of this is that the GLCs reputations locally has been further strengthened and is recognized as an organization with a "heart". This in turn has resulted in more local teachers applying to transfer to the GLC than ever before.

The Year 11 and 6 children took mock exams at the start of 2020 which were used as the basis of the teacher assessments. The outcomes set out in the tables below show that the 2020 results continue the improving trends of other years.

**GATEWAY LEARNING COMMUNITY**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**Strategic Report (continued)**

**Achievements and Performance (continued)**



**Gateway Academy Attainment History 2017 - 2020**

		Year 11 Attainment Tracking Actuals: Grade 4+ 2017 - 2020								
		Historic			Y11 2020		Analysis			2019 National Average [NA]
		2017	2018	2019	2020 Target	2020 Actual	Actual v 2019	Actual v Target	Trend 2017-2020	
Basics	All	47	59	55	65	70	+15	+5	-23	
	Boys	45	63	48	54	61	+13	+7	+16	
	Girls	50	55	62	80	79	+17	-1	-29	
	DYP	31	43	36	57	65	+29	+8	+34	
	Non-Dis	66	73	64	73	73	+9	0	+7	
	SEND		21		26	25				
English Lang	All	52	69	64	71	75	+11	+4	-23	70
	Boys	45	56	57	60	70	+13	+10	-25	
	Girls	56	69	72	85	80	+8	-5	-24	
	DYP	37	53	54	62	70	+16	+8	+33	
	Non-Dis	70	80	69	79	78	+9	-1	+8	
	SEND		25		30	25		+5		
Maths	All	62	69	66	72	80	+14	+8	+18	71
	Boys	61	77	63	64	73	+10	+9	+12	
	Girls	63	60	70	83	89	+19	+6	+26	
	DYP	48	55	46	64	78	+32	+12	+30	
	Non-Dis	76	79	77	80	82	+5	+2	+6	
	SEND		29		39	58		+19		



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		Year 11 Attainment Tracking: Grade 5+ 2017 - 2020								
		Historic			Current Y11		Analysis			2019 National Average [NA]
		2017	2018	2019	2020 Target	2020 Actual	Actual v 2019	Actual v Target	Trend 2017-2020	
Basics	All	31	38	34	39	47	+13	+8	+16	
	Boys	27	38	32	32	37	+5	+5	+10	
	Girls	35	38	36	48	58	+22	+10	+23	
	DYP	20	23	18	30	42	+24	+12	+22	
	Non-Dis	44	50	42	46	50	+8	+4	+6	
	SEND		0		9	17		+8		
English Lang	All	40	50	43	47	56	+13	+9	+16	44
	Boys	35	45	37	36	45	+8	+9	+10	
	Girls	45	54	49	60	67	+18	+7	+22	
	DYP	28	37	31	36	46	+15	+10	+18	
	Non-Dis	53	59	48	55	62	+14	+7	+9	
	SEND		0		9	17		+8		
Maths	All	43	48	45	53	61	+16	+8	+18	42
	Boys	35	52	45	47	55	+10	+8	+20	
	Girls	45	44	45	60	68	+23	+8	+23	
	DYP	28	36	25	47	55	+30	+8	+27	
	Non-Dis	60	58	56	58	65	+9	+7	+5	
	SEND		48		22	29		+7		

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**Strategic Report (continued)**

**Achievements and Performance (continued)**



**2018-20 Outcomes for Year 6 in Reading, Writing, Mathematics and Combined**

Year 6 EXPECTED +	Reading				Writing				Maths				Combined			
	2018	2019	2020 Actual	2018-2020	2018	2019	2020 Actual	2018-2020	2018	2019	2020 Actual	2018-2020	2018	2019	2020 Actual	2018-2020
GPFS	63	66	77	+14	71	80	80	+9	70	80	80	+10	52	61	55	+3
HPA	66	53	71	+5	73	70	76	+3	68	72	71	+3	55	48	69	+14
LPA	47	47	68	+21	71	63	66	-5	55	62	62	+7	43	42	60	+17
TPA	-	76	82	+6	-	80	81	+1	-	81	84	+3	-	72	77	+5

Year 6 GREATER DEPTH	Reading				Writing				Maths				Combined			
	2018	2019	2020 Actual	2018-2020	2018	2019	2020 Actual	2018-2020	2018	2019	2020 Actual	2018-2020	2018	2019	2020 Actual	2018-2020
GPFS	20	24	31	+11	16	27	20	+4	11	19	20	+9	9	12	20	+11
HPA	15	18	10	-10	24	5	9	-15	10	13	9	-1	3	5	9	+6
LPA	9	13	18	+9	9	8	11	+2	16	10	11	-5	1	4	11	+10
TPA	-	29	32	+3	-	26	23	-3	-	26	28	+2	-	12	21	+9

Despite additional competition locally in the form of 2 new free schools GLC academies remain popular. Whilst pupil mobility in Tilbury has always been relatively high compared to national averages we are pleased with the number of applications we are receiving.

Governance continues to be a strength of the GLC recognised both by Ofsted and the Regional Commissioner.

**Attendance Data**

	2019/20
Authorised	2.24%
Unauthorised	3.24%

**GATEWAY LEARNING COMMUNITY**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**Strategic Report (continued)**

**Achievements and Performance (continued)**

**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.

Covid 19 has had a significant impact on the operations of each GLC academy. These have been mitigated mostly by the rapid development of remote learning. The GLC has borne the additional costs associated with the development of online learning, additional cleaning and PPE as well as the costs incurred due to absent staff. The costs have been partly met through the Covid expenditure grants paid by the ESFA however to date the GLC has not received all it claimed for. This has impacted on the GLC reserves but validates the GLC's Reserves Policy which has been in place to deal with such shocks.

**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 31st August 2020 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	137	4G Astro turf seed funding	100	37
Gateway Primary Free School	194	New nursery provision	100	94
Herringham	297	Year 2 building project and nursery provision	125	172
Lansdowne	840	Additional staffing to increase capacity	100	740
Tilbury Pioneer	514	New Building	300	214
<b>Consolidated</b>	<b>1,982</b>		<b>725</b>	<b>1,257</b>

**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 £1,982m. 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 £1.257m.

A draft policy has been formulated and is waiting to be reviewed by the board.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

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:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o 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 (ie 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 each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

#### **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.

#### **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.

#### **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.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**Plans for Future Periods**

Our key development areas for 2020-21 are as the following intentions:

- To support pupils and staff [post Covid lockdown] to re-establish full-time provision for all pupils; to address deficits in learning; to lessen any anxieties; and to regain the ethos and character of each school and the GLC as a whole
- To ensure effective leadership at all levels in those academies scheduled for inspection.
- To guarantee the consistent and effective delivery of the GLC Curriculum: Teaching and Learning; and Assessment
- To improve maths outcomes for each primary year group, and to improve the progress of lower-attaining students in years 7 and 8.
- To engender pupils' love of reading and improve reading outcomes.
- To develop effective partnerships between the GLC and external agencies [particularly social care, health and the 3rd sector] to better support vulnerable children and their families
- To use the experiences of the 2020 school closure to utilise technology to develop new ways of working and learning.
- To secure the GLC as a successful, sustainable and respected organisation, characterised by an integrated culture of professional generosity, collaboration, challenge and support, all within an institutionally positive ethos.
- To ensure that diversity and equality [all different: all equal] become a reality underpinning the GLC's ethos and all working practices.
- To operate each academy with a year on year balanced budget following the introduction of the NFF
- To complete Phase 3 at Tilbury Pioneer providing high quality provision for targeted pupils;
- To develop Nursery provision at Herringham and GPFS
- To work with the LA to bid for a new primary Free School in Tilbury to cater for the growing demand for primary places locally.

**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 the 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 15 December 2020 and signed on its behalf by:



**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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 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
H Hodgson, Chair	6	6
Kevin Sadler, CEO	5	6
L Harris	5	6
Paul Connew	5	6
Margaret Smith	4	6
Graham Foster	5	6
Peter Ward, Ex-Officio (CEO)	5	6
L Pritchard	5	6
R Bhalla (Appointed 18 June 2020)	1	1

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

The finance committee is a sub-committee of the main board of trustees. Its purpose is to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorization. It will also review all financial policies including Financial Authority and Business Policy. Internal Scrutiny and Audit reports will be analyzed and discussed at this committee.

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Connew (Chair)	3	3
P Ward	3	3
G Foster	1	3
K Sadler	3	3
J Jones	3	3

## **GOVERNANCE STATEMENT (CONTINUED)**

### **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 trust'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 accounting officer for the academy trust has delivered improved value for money during the year by:

- Hygiene – **Total estimated annual saving: £15,000**  
Broadband- **Total estimated annual saving: £20,000**

### **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 trust 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 the GLC for the period 1st September 2019 to 31 August 2020 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 trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31 August 2020 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint MacIntyre Hudson 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.

On a termly basis, the internal auditor will report to the board of trustees, through a report to the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**GOVERNANCE STATEMENT (CONTINUED)**

**The Risk and Control Framework (continued)**

The recent Covid 19 pandemic has meant that the delivery of the internal scrutiny process has been delayed but a plan is currently being drawn up for this to start from January 2021.

**Review of Effectiveness**

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

- the work of the external auditors;
- the financial management and governance self-assessment process; and
- the work of the Support Services Managers within the GLC who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on 15 December 2020 and signed on their behalf by:



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



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

**GATEWAY LEARNING COMMUNITY**

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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 2019.

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 2019.

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: 15 December 2020

**GATEWAY LEARNING COMMUNITY**

**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

The trustees (who act as governors of The Gateway Learning Community 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 Academies Accounts Direction published 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 2019 and the Academies Accounts Direction 2019 to 2020;  
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 15 December 2020 and signed on its behalf by:



**H Hodgson Chair  
of Trustees**

**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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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.

**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

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

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.

**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.

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

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

**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.

*M Durst 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

15 December 2020

## **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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 to 31 August 2020 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: 15 December 2020

**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 2020**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Note					
<b>Income from:</b>					
Donations and capital grants	3	13	-	1,639	1,652
Charitable activities	4	-	17,173	-	17,173
Other trading activities	5	448	151	-	599
Investments	6	13	-	-	13
		<u>474</u>	<u>17,324</u>	<u>1,639</u>	<u>19,437</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Raising funds		15	-	-	15
Charitable activities	8	-	18,494	1,761	20,255
		<u>15</u>	<u>18,494</u>	<u>1,761</u>	<u>20,270</u>
<b>Total expenditure</b>					
<b>Net income/(expenditure)</b>					
		<u>459</u>	<u>(1,170)</u>	<u>(122)</u>	<u>(833)</u>
Transfers between funds	20	-	(767)	767	-
<b>Net movement in funds before other recognised gains/(losses)</b>					
		<u>459</u>	<u>(1,937)</u>	<u>645</u>	<u>(833)</u>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	27	-	(2,587)	-	(2,587)
<b>Net movement in funds</b>					
		<u>459</u>	<u>(4,524)</u>	<u>645</u>	<u>(3,420)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		4,418	(13,901)	45,675	36,192
Net movement in funds		459	(4,524)	645	(3,420)
<b>Total funds carried forward</b>					
		<u>4,877</u>	<u>(18,425)</u>	<u>46,320</u>	<u>32,772</u>

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

The notes on pages 23 to 46 form part of these financial statements.

**GATEWAY LEARNING COMMUNITY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 05853746**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	15	46,031	44,200
		46,031	44,200
<b>Current assets</b>			
Stocks	16	23	23
Debtors	17	401	590
Cash at bank and in hand		3,070	4,424
		3,494	5,037
Creditors: amounts falling due within one year	18	(1,223)	(1,107)
<b>Net current assets</b>		2,271	3,930
<b>Total assets less current liabilities</b>		48,302	48,130
<b>Net assets excluding pension liability</b>		48,302	48,130
Defined benefit pension scheme liability	27	(15,530)	(11,938)
<b>Total net assets</b>		32,772	36,192
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	46,320	45,675
Restricted income funds	20	(2,895)	(1,963)
		43,425	43,712
Restricted funds excluding pension asset	20	43,425	43,712
Pension reserve	20	(15,530)	(11,938)
<b>Total restricted funds</b>	20	27,895	31,774
<b>Unrestricted income funds</b>	20	4,877	4,418
<b>Total funds</b>		32,772	36,192

The financial statements on pages 20 to 46 were approved by the trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:



**H HOAGSON Chair  
of Trustees**

The notes on pages 23 to 46 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 2020**

	<b>Note</b>	<b>2020</b>	<i>2019</i>
		<b>£000</b>	<i>£000</i>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	22	<b>588</b>	<i>(163)</i>
<b>Cash flows from investing activities</b>			
	24	<b>(1,940)</b>	<i>10</i>
<b>Cash flows from financing activities</b>			
	23	<b>(2)</b>	<i>14</i>
<b>Change in cash and cash equivalents in the 12 months period</b>		<b>(1,354)</b>	<i>(139)</i>
Cash and cash equivalents at the beginning of the 12 months period		<b>4,424</b>	<i>4,563</i>
<b>Cash and cash equivalents at the end of the 12 months period</b>	25, 26	<b><u>3,070</u></b>	<i><u>4,424</u></i>

The notes on pages 23 to 46 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**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 which they are expended.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

**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 2020****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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**1. Accounting policies (continued)**

**1.10 Financial instruments (continued)**

subsidiary are held at face value less any impairment.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020

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 27, 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 2020. 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 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	13	-	-	13	26
Capital Grants	-	-	1,639	1,639	1,944
Ormiston sponsorship	-	-	-	-	152
	<u>13</u>	<u>-</u>	<u>1,639</u>	<u>1,652</u>	<u>2,122</u>
<i>Total 2019</i>	<u>176</u>	<u>2</u>	<u>1,944</u>	<u>2,122</u>	

**GATEWAY LEARNING COMMUNITY**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

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

	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	13,328	<b>13,328</b>	13,321
Other DfE/ESFA Grants	2,646	<b>2,646</b>	2,128
	<hr/>	<hr/>	<hr/>
	15,974	<b>15,974</b>	15,449
<b>Other government grants</b>			
Local Authority Grants	752	<b>752</b>	681
	<hr/>	<hr/>	<hr/>
	752	<b>752</b>	681
<b>Other funding</b>			
Other Income	447	<b>447</b>	26
	<hr/>	<hr/>	<hr/>
	17,173	<b>17,173</b>	16,156
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2019</i>	16,156	16,156	
	<hr/> <hr/>	<hr/> <hr/>	

**5. Income from other trading activities**

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Hire of facilities	42	-	<b>42</b>	72
Catering income	283	-	<b>283</b>	363
Sundry income	123	52	<b>175</b>	293
Trip income	-	99	<b>99</b>	153
	<hr/>	<hr/>	<hr/>	<hr/>
	448	151	<b>599</b>	881
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2019</i>	694	187	881	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

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**6. Investment income**

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Investment income	13	13	15
<i>Total 2019</i>	15	15	

**7. Expenditure**

	<b>Staff Costs 2020 £000</b>	<b>Premises 2020 £000</b>	<b>Other 2020 £000</b>	<b>Total 2020 £000</b>	<i>Total 2019 £000</i>
Expenditure on raising voluntary income:					
Direct costs	15	-	-	15	32
Educational activities:					
Direct costs	12,877	-	924	13,801	13,649
Allocated support costs	1,600	1,206	3,648	6,454	6,673
	<u>14,492</u>	<u>1,206</u>	<u>4,572</u>	<u>20,270</u>	<u>20,354</u>
<i>Total 2019</i>	<u>13,759</u>	<u>880</u>	<u>5,715</u>	<u>20,354</u>	

**8. Analysis of expenditure on charitable**

**activities Summary by fund type**

	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Educational activities	20,255	20,255	20,322
<i>Total 2019</i>	<u>20,322</u>	<u>20,322</u>	

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**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £000</b>	<b>Support costs 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Educational activities	13,801	6,454	<b>20,255</b>	20,322
<i>Total 2019</i>	<u>13,649</u>	<u>6,673</u>	<u>20,322</u>	

**Analysis of direct costs**

	<b>Educational activities 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Staff costs	12,877	<b>12,877</b>	12,377
Educational supplies	251	<b>251</b>	349
Examination fees	86	<b>86</b>	84
Staff development	92	<b>92</b>	109
Technology costs	144	<b>144</b>	178
Travel and subsistence	21	<b>21</b>	29
Other direct costs	227	<b>227</b>	304
Professional curriculum	103	<b>103</b>	219
	<u>13,801</u>	<u>13,801</u>	<u>13,649</u>
<i>Total 2019</i>	<u>13,649</u>	<u>13,649</u>	

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**9. Analysis of expenditure by activities**

**(continued) Analysis of support costs**

	<b>Educational activities 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Pension finance costs	218	<b>218</b>	225
Staff costs	1,600	<b>1,600</b>	1,351
Depreciation	1,761	<b>1,761</b>	1,255
Professional curriculum	224	<b>224</b>	398
Recruitment and support	153	<b>153</b>	148
Maintenance of premises and equipment	455	<b>455</b>	290
Cleaning	45	<b>45</b>	39
Energy costs	279	<b>279</b>	334
Rent and rates	131	<b>131</b>	143
Insurance	67	<b>67</b>	74
Security and transport	25	<b>25</b>	19
Catering	440	<b>440</b>	633
Bank interest and charges	14	<b>14</b>	23
Other support costs	234	<b>234</b>	244
Governance costs	21	<b>21</b>	35
Non cash pension costs	787	<b>787</b>	1,462
	<u>6,454</u>	<u><b>6,454</b></u>	<u>6,673</u>
<i>Total 2019</i>	<u>6,673</u>	<u>6,673</u>	

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

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

	<b>2020 £000</b>	<i>2019 £000</i>
Operating lease rentals	<b>47</b>	24
Depreciation of tangible fixed assets	<b>1,761</b>	1,255
Fees paid to auditors for:		
- audit	<b>15</b>	15
- other services	<b>3</b>	2
	<u><b>1,825</b></u>	<u>1,296</u>

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**11. Staff**

**a. Staff costs**

Staff costs during the 12 months period were as follows:

	<b>2020</b>	2019
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>11,502</b>	11,105
Social security costs	<b>1,062</b>	998
Pension costs	<b>1,861</b>	1,496
	<hr/> <b>14,425</b>	<hr/> 13,599
Agency staff costs	<b>67</b>	160
	<hr/> <b>14,492</b> <hr/>	<hr/> 13,759 <hr/>

**b. Staff numbers**

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

	<b>2020</b>	<i>As restated</i> 2019
	<b>No.</b>	<b>No.</b>
Teachers	<b>168</b>	166
Administration and support	<b>263</b>	259
Management	<b>16</b>	17
	<hr/> <b>447</b> <hr/>	<hr/> 442 <hr/>

The average headcount expressed as full-time equivalents was:

	<b>2020</b>	2019
	<b>No.</b>	<b>No.</b>
Teachers	<b>159</b>	162
Administration and support	<b>200</b>	208
Management	<b>16</b>	17
	<hr/> <b>375</b> <hr/>	<hr/> 387 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Staff (continued) c.****Higher paid staff**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>12</b>	3
In the band £70,001 - £80,000	<b>3</b>	3
In the band £80,001 - £90,000	<b>2</b>	1
In the band £100,001 - £110,000	<b>1</b>	-
In the band £110,001 - £120,000	<b>1</b>	1
In the band £140,001 - £150,000	<b>1</b>	-
In the band £150,001 - £160,000	<b>-</b>	1

**d. Key management personnel**

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £839,000 (2019 £1,200,000).

**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>2020</b>	2019
	<b>£000</b>	£000
The Gateway Academy	<b>321</b>	306
The Gateway Primary Free School	<b>97</b>	100
Herringham Primary Academy	<b>96</b>	94
Lansdowne Primary Academy	<b>147</b>	149
Tilbury Primary Academy	<b>109</b>	89
<b>Total</b>	<b>770</b>	738

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**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:

		2020 £000	2019 £000
K Sadler, CEO	Remuneration	145 - 150	155 - 160
	Pension contributions paid	30 - 35	25 - 30

During the 12 months period ended 31 August 2020, no trustee expenses have been incurred (2019 - £ NIL).

**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 2020 was £4,450 (2019 - £4,450).

**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 2019	51,071	1,403	2,578	76	55,128
Additions	3,176	229	187	-	3,592
	54,247	1,632	2,765	76	58,720
<b>Depreciation</b>					
At 1 September 2019	7,476	1,091	2,301	60	10,928
Charge for the 12 months period	1,400	100	245	16	1,761
	8,876	1,191	2,546	76	12,689
<b>Net book value</b>					
At 31 August 2020	45,371	441	219	-	46,031
At 31 August 2019	43,595	312	277	16	44,200

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**16. Stocks**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Clothing	<b>23</b>	<i>23</i>
	<u><b>23</b></u>	<u><i>23</i></u>

**17. Debtors**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
<b>Due within one year</b>		
Trade debtors	<b>14</b>	<i>101</i>
Other debtors	<b>19</b>	<i>18</i>
Prepayments and accrued income	<b>368</b>	<i>471</i>
	<u><b>401</b></u>	<u><i>590</i></u>

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Other loans	<b>12</b>	<i>14</i>
Trade creditors	<b>29</b>	<i>20</i>
Other taxation and social security	<b>252</b>	<i>256</i>
Other creditors	<b>125</b>	<i>104</i>
Accruals and deferred income	<b>805</b>	<i>713</i>
	<u><b>1,223</b></u>	<u><i>1,107</i></u>
	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Deferred income at 1 September 2019	<b>294</b>	<i>187</i>
Resources deferred during the 12 months period	<b>268</b>	<i>294</i>
Amounts released from previous periods	<b>(294)</b>	<i>(187)</i>
	<u><b>268</b></u>	<u><i>294</i></u>

At the balance sheet date the academy trust was holding funds received in advance for rates relief income of £66,000, UIFSM grant income of £119,000 and other income of £83,000.

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**19. Financial instruments**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>3,070</b>	<i>4,424</i>

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

**20. Statement of funds**

	Balance at 1 September 2019	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2020
	£000	£000	£000	£000	£000	£000
<b>Unrestricted funds</b>						
General Funds - all funds	<u>4,418</u>	<u>474</u>	<u>(15)</u>	<u>-</u>	<u>-</u>	<u>4,877</u>
<b>Restricted general funds</b>						
GAG	(1,963)	13,246	(13,411)	(767)	-	(2,895)
Pupil premium	-	1,494	(1,494)	-	-	-
Other ESFA fundng	-	1,125	(1,125)	-	-	-
LA and other government grants	-	745	(745)	-	-	-
General funds	-	714	(714)	-	-	-
Pension reserve	(11,938)	-	(1,005)	-	(2,587)	(15,530)
	<u>(13,901)</u>	<u>17,324</u>	<u>(18,494)</u>	<u>(767)</u>	<u>(2,587)</u>	<u>(18,425)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	<u>45,675</u>	<u>-</u>	<u>(1,761)</u>	<u>767</u>	<u>-</u>	<u>44,681</u>
Condition Improvement Fund	-	1,639	-	-	-	1,639
	<u>45,675</u>	<u>1,639</u>	<u>(1,761)</u>	<u>767</u>	<u>-</u>	<u>46,320</u>

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Total Restricted funds</b>	<u>31,774</u>	<u>18,963</u>	<u>(20,255)</u>	-	<u>(2,587)</u>	<u>27,895</u>
<b>Total funds</b>	<u><u>36,192</u></u>	<u><u>19,437</u></u>	<u><u>(20,270)</u></u>	-	<u><u>(2,587)</u></u>	<u><u>32,772</u></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.

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 2020.

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
The Gateway Academy	137	329
The Gateway Primary Free School	194	229
Herringham Primary Academy	297	290
Lansdowne Primary Academy	840	644
Tilbury Pioneer Primary School	<u>514</u>	<u>963</u>
Total before fixed asset funds and pension reserve	1,982	2,455
Restricted fixed asset fund	46,320	45,675
Pension reserve	<u>(15,530)</u>	<u>(11,938)</u>
<b>Total</b>	<u><u>32,772</u></u>	<u><u>36,192</u></u>

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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 2020 £000</b>	<i>Total 2019 £000</i>
The Gateway Academy	5,773	1,184	198	1,397	<b>8,552</b>	8,463
The Gateway Primary Free School	1,456	274	68	366	<b>2,164</b>	2,864
Herringham Primary Academy	1,405	241	59	460	<b>2,165</b>	2,191
Lansdowne Primary Academy	2,433	422	65	622	<b>3,542</b>	3,620
Tilbury Pioneer Primary School	1,810	266	50	525	<b>2,651</b>	2,502
Intercompany costs removed on consolidation	-	-	-	(565)	<b>(565)</b>	(541)
<b>Academy</b>	<b>12,877</b>	<b>2,387</b>	<b>440</b>	<b>2,805</b>	<b>18,509</b>	<b>19,099</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 2018 £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 2019 £000</i>
<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 Condition Improvement Fund	-	18	-	-	-	18
LA Capital Funding	-	1,009	-	-	-	1,009
	-	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><u>38,780</u></u>	<u><u>19,174</u></u>	<u><u>(20,354)</u></u>	<u><u>-</u></u>	<u><u>(1,408)</u></u>	<u><u>36,192</u></u>

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

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

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Restricted fixed asset funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Tangible fixed assets	-	-	46,031	<b>46,031</b>
Current assets	4,877	(1,672)	289	<b>3,494</b>
Creditors due within one year	-	(1,223)	-	<b>(1,223)</b>
Provisions for liabilities and charges	-	(15,530)	-	<b>(15,530)</b>
<b>Total</b>	<b>4,877</b>	<b>(18,425)</b>	<b>46,320</b>	<b>32,772</b>

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

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
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>

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Net expenditure for the period (as per Statement of financial activities)	<b>(833)</b>	<i>(1,180)</i>
<b>Adjustments for:</b>		
Depreciation	<b>1,761</b>	<i>1,255</i>
Capital grants from DfE and other capital income	<b>(1,639)</b>	<i>(1,944)</i>
Interest receivable	<b>(13)</b>	<i>(15)</i>
Defined benefit pension scheme cost less contributions payable	<b>787</b>	<i>1,463</i>
Defined benefit pension scheme finance cost	<b>218</b>	<i>225</i>
Decrease in stocks	<b>-</b>	<i>18</i>
Decrease/(increase) in debtors	<b>189</b>	<i>(113)</i>
Increase in creditors	<b>118</b>	<i>128</i>
<b>Net cash provided by/(used in) operating activities</b>	<b>588</b>	<i>(163)</i>

**23. Cash flows from financing activities**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Cash inflows from new borrowing	<b>(2)</b>	<i>14</i>
<b>Net cash (used in)/provided by financing activities</b>	<b>(2)</b>	<i>14</i>

**24. Cash flows from investing activities**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Dividends, interest and rents from investments	<b>13</b>	<i>15</i>
Purchase of tangible fixed assets	<b>(3,592)</b>	<i>(1,949)</i>
Capital grants from DfE Group	<b>1,639</b>	<i>1,944</i>
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,940)</b>	<i>10</i>

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Cash in hand	<b>3,070</b>	<i>4,424</i>
<b>Total cash and cash equivalents</b>	<b>3,070</b>	<i>4,424</i>

**26. Analysis of changes in net debt**

	<b>At 1 September 2019 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2020 £000</b>
Cash at bank and in hand	<b>4,424</b>	<b>(1,354)</b>	<b>3,070</b>
Debt due within 1 year	<b>(14)</b>	<b>2</b>	<b>(12)</b>
	<b>4,410</b>	<b>(1,352)</b>	<b>3,058</b>

**27. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 2016 and of the LGPS 31 August 2020.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

**of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the 12 months period amounted to £1,179,000 (2019 - £847,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**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 2020 was £912,000 (2019 - £915,000), of which employer's contributions totalled £707,000 (2019 - £704,000) and employees' contributions totalled £ 205,000 (2019 - £211,000). The agreed contribution rates for future years are 12.2 per cent for employers and 5.5 - 6.5 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the 12 months period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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.

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

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

**Principal actuarial assumptions**

	<b>2020</b>	<i>2019</i>
	%	%
Rate of increase in salaries	<b>3.25</b>	<i>3.70</i>
Rate of increase for pensions in payment/inflation	<b>2.25</b>	<i>2.20</i>
Discount rate for scheme liabilities	<b>1.60</b>	<i>1.85</i>

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

	<b>2020</b>	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.8</b>	<i>21.3</i>
Females	<b>23.8</b>	<i>23.6</i>
<i>Retiring in 20 years</i>		
Males	<b>23.2</b>	<i>23.0</i>
Females	<b>25.2</b>	<i>25.4</i>

**Share of scheme assets**

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

	<b>2020</b>	<i>2019</i>
	£000	£000
Equities	<b>6,697</b>	<i>6,946</i>
Debt instruments	<b>1,068</b>	<i>1,227</i>
Property	<b>840</b>	<i>882</i>
Cash	<b>294</b>	<i>322</i>
Other	<b>1,912</b>	<i>1,646</i>
<b>Total market value of assets</b>	<b>10,811</b>	<i>11,023</i>

The actual return on scheme assets was £301,000 (2019 - £867,000).

**GATEWAY LEARNING COMMUNITY**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020**

**27. Pension commitments (continued)**

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

	2020	2019
	£000	£000
Current service cost	(1,486)	(1,378)
Past service cost	-	(266)
Interest income	211	261
Interest cost	(429)	(486)
Administrative expenses	(8)	(4)
	(1,712)	(1,873)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(1,712)</b>	<b>(1,873)</b>

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

	2020	2019
	£000	£000
<b>At 1 September</b>	<b>22,961</b>	<b>18,258</b>
Prior year pension scheme obligations	-	854
Current service cost	1,486	1,378
Interest cost	429	486
Employee contributions	205	211
Actuarial losses	1,510	1,633
Benefits paid	(250)	(125)
Past service costs	-	266
	26,341	22,961
<b>At 31 August</b>	<b>26,341</b>	<b>22,961</b>

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

	2020	2019
	£000	£000
<b>At 1 September</b>	<b>11,023</b>	<b>9,416</b>
Prior year pension scheme assets	-	335
Interest income	211	261
Actuarial (losses)/gains	(1,077)	225
Employer contributions	707	704
Employee contributions	205	211
Benefits paid	(250)	(125)
Administrative expenses	(8)	(4)
	10,811	11,023
<b>At 31 August</b>	<b>10,811</b>	<b>11,023</b>

## GATEWAY LEARNING COMMUNITY

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS PERIOD ENDED 31 AUGUST 2020

#### 28. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	36	3
Later than 1 year and not later than 5 years	16	2
	<u>52</u>	<u>5</u>

#### 29. 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.

#### 30. Related party transactions

Owing to the nature of the academy 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year an amount of £NIL (2019: £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 £NIL (2019: £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.