

Gateways Educational Trust Limited (a company limited by guarantee)

Strategic Report, Report of the Governors and Financial Statements

31 August 2020

Company Registered Number: 00702484

Gateways Educational Trust Limited
(A Company Limited by Guarantee)
Report of the Governors and Financial Statements
For the year ended 31 August 2020

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Report of the Governors

Reference and administrative information

Governors and charity Trustees

The Governors of the School, who are also the Charity Trustees, and the Directors of the Company and who served during the year were:

* Mr S Watson BA FCA	(Chairman)
Mr R G A Barr	(Resigned 17 November 2019)
Mrs M Calvert BA (Hons), MA	(Appointed 1 September 2020)
** Mr C J Chambers ACA, Llb, Barrister	
+ Mrs G A Brennan BA (Hons), PGCE	
++ Prof. M G Brennan BA, MA, D.Phil	
* Mr D Hogg BSc (Hons), MSc, D.Phil	(Resigned 31 August 2020)
++ Mr R M Webster, BSc, MRICS	
Dr J. Matharoo	(Appointed 13 November 2019)

The Governors are permanent members and they are not subject to retirement by rotation.

*** Indicates the Chairman of the Finance Committee*

** Indicates members of the Finance Committee*

+ Indicates member for Safeguarding

++ indicates members of the Academic Committee

Meetings attended during the year

	Board of Governors Meetings		
Governor:	14/11/19	17/03/20	18/06/20
Mr S Watson BA FCA (Chairman)	X	X	X
Mr R G A Barr	X		
Mrs M Calvert			
Mrs G A Brennan BA (Hons), PGCE	X	X	X
Prof M G Brennan BA, MA, D.Phil	X	X	X
Mr C J Chambers ACA, Llb, Barrister	X	X	
Mr D Hogg BSc (Hons), MSc, Dphil	X	X	X
Dr J Matharoo	X	X	X
Mr R M Webster, BSc MRICS	X	X	
<i>X - Present at meeting</i>			

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Officers

The Head: Dr T Johnson BSc (Hons), PhD, PGCE

Company Secretary: Mr J D Halliday, ACA

Address: Gateways School
Harewood
Leeds
LS17 9LE

Website: www.gatewaysschool.co.uk

Professional Advisers

Banker: National Westminster Bank Plc
8 Park Row
Leeds
LS1 1QS

Solicitor: Pinsent Masons
1 Park Row
Leeds
LS1 5AB

Auditor: Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

**Gateways Educational Trust Limited
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Report of the Governors and Financial Statements
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Gateways School Governors, who are directors of the company for the purposes of company law, present their annual report and strategic report for the year ended 31 August 2020 together with the audited accounts for this year.

The accounts have been prepared to comply with the requirements of the Companies Act 2006, applicable accounting standards, the Trust Deed and the Charities SORP FRS 102.

Gateways Educational Trust Limited, the Charity, was founded in 1941, and is registered with the Charities Commission in England & Wales, number 529206. It is also a Company Limited by Guarantee, number 00702484. The Gateways School Governors, executive officers and principal address of the Charity are listed on pages 1 and 2, along with details of all principal advisers.

Structure, governance and management

Governing document

The Charity is governed by the provisions of the Memorandum and Articles of Association which were reviewed and updated in November 2005.

Governing body

Governors are elected at a meeting of the Board of Governors having been recommended on the basis of eligibility, personal competence, specialist skills and availability.

Mr David Hogg, who has left the Governing Board, is thanked for his contribution to The School during his time as a Governor.

Mrs M Calvert was appointed to the Governing Board on 1 September 2020.

Recruitment and training of Governors

The Charity has a Governors' Nominations Committee, whose purpose is to facilitate the recruitment and training of Governors.

Organisational management

The Governors meet at least three times a year to determine the general policy of the Charity and to review its overall management and control, for which they are legally responsible. The work of implementing most of the Board's policies is carried out by the Finance Committee, which meets prior to each meeting of the full Governing Board. The day to day management of the School is delegated to the Headmistress and the Leadership Team.

Organisational structure and relationship

The School is an active member of the Independent School Council (ISC) for the promotion and protection of the independent education sector.

Objectives for the year

This year the Board's main objective continued to be to educate all the School's pupils to at least the high standard achieved by the School in previous years, so that they will have, and be able to benefit from, the opportunities available to them on leaving Gateways.

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In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's guidance on Public Benefit, and in particular that which relates to advancing education and on fee-charging.

Specific objectives for the year included:

- Providing outstanding education, enriching the lives of our pupils, and preparing them for the challenges of a continuously changing global environment;
- Maintaining the current high standards of academic achievement as measured by external public examinations and independent value-added criteria;
- To carry out a review of expenditure across all areas, with the aim of improving efficiency and value for money and achieving the best possible allocation of resources;
- To optimise the pupil/teacher ratio so as to give pupils the necessary time for developing both academic and wider skills;
- To continue to evaluate and incorporate relevant Government strategies;
- Balancing academic achievement with the social and cultural development of pupils through maintaining a broad and balanced curriculum;
- Maintaining strong pastoral support throughout the School; and
- To increase access to the School by widening Community access to both our facilities and education.

Strategies to achieve this year's objectives:

- To continue to recruit and develop well qualified teaching staff, thus enhancing the high standards of academic achievement;
- To promote social and cultural development through an extensive and efficiently managed extra-curricular programme;
- To set aside funds for a programme of Scholarships and Bursaries which will continue to allow wider access to a Gateways education; and
- To make the School's facilities available for general use by the members of the community at evenings, weekends and during the School holidays.

Public benefit

Access policy

The School reaches out to the wider community in a variety of ways. We collaborate with a number of local charities and organisations to widen public access to our schooling, to optimise the use of our cultural and sporting facilities and to cultivate in our pupils an awareness of the social context of the education they receive at the School.

The School believes that pupils benefit from learning within a diverse community and that this is maximised through social interaction, conversation and shared experiences. Pupils at Gateways are universally encouraged to join the Community Outreach programme, and to work on fundraising projects for the benefit of their nominated charities. This year, amongst a number of beneficiaries, the charities Plastic Oceans, Children in Need, Comic Relief and shared £2,500 from the fundraising efforts of our pupils.

We were pleased to accommodate The Tonicha Lawrence Academy on a regular basis.

Throughout the year, the School's Performing Arts Centre and Sports Hall have been used by a number of community groups for music, dancing and drama coaching, badminton and netball on a weekly basis. We

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have also hosted a number of Holiday Clubs, open to all children irrespective of the school they attend, offering a variety of experiences from SCS Sports Camps to Play in Leeds and Stir Crazy Kids Cookery Club. There have also been a number of one-off events. However, these have been reduced in number due to Covid-19.

The education of the pupils at the expense of the parents will have saved the Treasury an estimated £2.3 million per annum, assuming a cost of £6,700 to educate a pupil in the state system, according to information published by the Independent Schools Council.

Scholarships and bursaries

Our Bursary and Scholarship programme contributes to a widening of access to the education we offer and the facilities we enjoy.

Bursary policy

Applications are invited annually for the Bursary Fund from families who would otherwise not be able to afford the fees but whose children would benefit from the education offered by the School.

Awards range from 10% to 100% remission of fees, and are subject to means testing.

Any pupil who meets the general entry requirement is eligible to apply for financial support. A number of factors are considered, including income, savings and investments, out-goings, and family circumstances, for example, dependent relatives and number of siblings.

All bursaries are reviewed annually, to ensure that beneficiaries continue to meet the means tested criteria.

We also support the families of existing pupils who experience temporary hardship where that hardship places the pupil's education and future prospects at risk. Examples of this include illness and redundancy.

Scholarships

Scholarships are awarded to pupils on the basis of merit. Candidates are invited to attend an interview with the Headmistress, followed by an assessment and/or examination as appropriate.

Awards of up to 25% of fee remission are available for excellence in:

- Music
- Performing Arts
- Sports

Awards of 10% to 30% of fee remission are available for academic excellence.

Exhibition Scholarships may be offered to candidates showing all round promise, but who narrowly fail to achieve the standard set for the Academic Scholarship.

Foundation Scholarships may be awarded at the discretion of the Headmistress.

Bursaries and scholarships totalling £405,439 were awarded to 96 pupils during the year (2019: £384,358 to 102 pupils).

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Special discount

Special discounts totalling £161,135 was awarded to pupils to reflect disruption to teaching and the whole school experience during school closure due to the Covid-19 Pandemic.

Review of achievements and performance in the year

The School continued to provide an outstanding level of education with excellent academic results.

Reserves policy

Free reserves in accordance with FRS 102 is based on net current assets excluding equipment leases. At 31 August 2020 this amount has been calculated as £nil (2019: £nil).

The Governors consider that available cash is the best indicator of their financial position and consequently available cash is monitored rather than the free reserves position as stipulated by FRS 102. For the year ending 31 August 2020, the minimum available cash was £616,868 (2019: £401,566).

Investment policy and performance

The Governors Investment Policy is to retain surplus funds on short-term deposits with the major clearing banks in order to fulfil the funding requirements of the School Development Plan.

Taxation status

Gateways Educational Trust is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010, and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part II Corporation Tax Act 2010 or section 256 of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

Other information

An indication of likely future developments in the School and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 8.

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Statement of Trustees' responsibilities

The trustees (who are also directors of Gateways Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 auditor is aware of that information.

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Strategic report

Principal activity

The School's principal activity is the provision of education for pupils aged from 2 to 18 years.

Aims and objectives

The objective of the School is to continue to provide a first class education which will enrich the lives of its pupils and prepare them for challenges of the modern global world.

Strategic aim and intended effect

The School's strategic aim to reach its annual objective is the attainment of the highest academic levels, whilst allowing pupils to benefit from all aspects of the curricular and extra-curricular programme. This aims to develop both academic and social skills and prepare them for adult life.

We aim, through our Junior and Senior Schools, to provide a first class education to pupils from the ages of 2 to 18. We seek to provide a structured educational environment that develops our pupils' capabilities, competencies and skills. We promote academic, moral and physical development of our pupils through our academic curriculum, pastoral care, sporting and other activities. We provide an educational environment where each pupil can develop and fulfil his or her potential, building their self-confidence and inculcating a desire to contribute to the wider community. In so doing, we prepare our pupils for the opportunities, responsibilities and experience of later life.

Operational performance of the school

This year, once again, saw excellent performance in the public examinations.

At A level, 100% of candidates secured their first or second choice of University for the second consecutive year. 79% of all grades were awarded at A* and A.

At GCSE, Gateways was placed fourth in the country for Value Added, including first in the country for Combined Science, PE, Computer Science and Latin.

Pupils have achieved recognition at all levels for their efforts in both sport and the arts.

Within the School, we have continued to offer a diverse range of peripatetic music lessons and New Era Drama Academy training and examinations. Pupils continued to achieve very high levels of success in both these areas.

The number of extra-curricular activities on offer continues to excite and challenge all who participate. The Duke of Edinburgh Awards Scheme remains popular, with many pupils going on to reach Gold standard. The full programme of school trips, short and long, at home and overseas, was curtailed from March 2020 due to the Covid-19 Pandemic.

The Combined Cadet Force (CCF) was established at The School in Partnership with Horsforth School, under the Cadet Expansion Programme. The first cohort of cadets consisted of 15 Pupils from Gateways, and 14 from Horsforth.

The School is licensed by the UK Border Agency under Tier 4 Child of the points based system, with Highly Trusted Sponsor Status.

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The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities for the year.

Financial review and results for the year

The School generated earnings before interest and depreciation of £452,831 (2019: £268,713).

The operating results show a surplus of £118,538 (2019: £70,939 deficit).

The number of pupils on the roll has increased during the year from 381 at the start of the year to 393 pupils at 31 August 2020.

Interest costs were lower than anticipated due to the low base rate being maintained.

The Trustees have taken account of the current economic environment in developing the budgets and forecasts for the coming years and are confident that The School is well placed to continue to offer its services for the foreseeable future and has the continued support of its funders.

Risk management

The Governors have examined the principal areas of the School's operations and have considered the major risk factors faced in each of those areas.

Key controls used by the Charity to minimise risk include:

- Formal agendas for all Committee and Board activity;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of vulnerable people.

The Trustees ensure internal financial control is maintained by having a system of regular management information reports, clear administrative and financial procedures and clear lines of accounting. No fundamental weaknesses in systems and controls have been identified in the year.

The Trustees consider that an internal audit function is not required based on the relative size of the School, the risks identified, and controls in place to mitigate these risks.

In the opinion of the Governors, the School has ensured that under normal conditions, risks are mitigated to an acceptable level in its day to day operations.

COVID-19

In March 2020, the UK government introduced emergency measures to control the spread of the virus COVID-19, including a public lockdown under which the school premises were required to be closed. The school then moved to providing online education to our pupils for the remainder of that term and, for the

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majority of pupils, this continued throughout the summer term. The Governors are pleased to report that the online services have worked well in the circumstances, based on parent and teacher feedback.

The school was able to take advantage of the Government's Job Retention Scheme and furloughed those staff who were not essential to the continued running of the school through the online service. The resulting cost savings were passed on to parents and guardians in the form of special discounts applied to the previously announced fees.

As a result of the public lockdown there has been a financial impact on Gateways, but the school has been able to mitigate the financial impact of the lockdown through the cost saving measures introduced.

At the time of approving these financial statements the School is in the middle of a public lockdown and unable to operate in the school premises. There also remains a risk that further public lockdowns may occur. The Governors are mindful of this risk and are satisfied that the school has adequate plans in place to ensure the continued provision of education to our pupils in the event of any further lockdown.

Future plans

A letter from The Chair of Governors and the Headmistress to Parents and Guardians dated 4 January 2018 announced that the School would be extending its benefits to boys beyond the age of 11 from September 2019.

This decision was the result of a strategic planning exercise intended to determine the development priorities for Gateways to 2030 and beyond. Many parents were engaged in this exercise which then informed the future direction of the School.

During the strategy exercise the key strengths of the School were identified as the small classes, the teachers' knowledge of every pupil as an individual, the pupils' knowledge of each other throughout the school, not just in their own year group, the teachers' subject knowledge and the overall size of the school which enables the teachers to maintain a close working relationship with each other for the benefit of the pupils.

Independent research has shown that each of these strengths is closely linked to the one factor which impacts most on pupil outcomes - teacher effectiveness. 14 – 18 pupils per class is the ideal range, according to the most recent research on the effect of class size on improving pupil outcomes. Indeed, the same research goes on to say that, once a class reaches 22, it might as well have 30 or more pupils in it, so much is the teacher effectiveness reduced.

The consistently high value added results at the School, which places it in the top ten schools nationally every year, is direct evidence of our high teacher efficacy. We are the only school in the greater area to deliver average class sizes in the ideal 14 – 18 pupils range.

The Governors concluded that their first commitment to parents was to prioritise school resources to maintain an average class size within this optimum range. This allows the School to continue to offer a personal education for each pupil.

The vision of the School is to maximise the ability of, and opportunities for, each pupil using the average class size of 14 – 18 pupils coupled with excellent teaching. All pupils benefit from this common vision.

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Boys and girls were clearly thriving in the very special environment provided by the Prep School. It has therefore been decided to allow boys to continue into the High School from September 2019, so that they too could benefit from the Gateways approach to success in education.

In making this change the School honoured the commitment made to those parents who had already chosen the High School because of its single sex nature. Therefore, the School proceeded in an evolutionary way and simply allowed the boys to transfer to Upper 3 in September 2019 and then to move through the remainder of the school as they progressed from year to year.

This was an important change for the School and one which Dr Johnson was very well equipped to lead us through given that during her time at Cheltenham College she oversaw their transition to full co-education in very similar circumstances.

Our transition to full coeducation is now progressing very successfully. In the first year of this model in operation, Year 7 was full, being a cohort of 2 form entry made up of exactly 50% girls and 50% boys. With a fully coeducation Prep School feeding into the senior school and healthy external recruitment of both boys and girls, there is no reason why this trend cannot be anticipated to continue in future years.

Our strategic intent remains:

- To continue to provide outstanding education, enriching the lives of our pupils and preparing them for the challenges of a continuously changing global environment;
- To increase pupil numbers whilst maintaining pupil / teacher ratios to deliver high added value to pupils, commensurate with maintaining the key strengths of the School as outlined on page 10;
- To continue to evaluate and incorporate as appropriate, government strategies which are relevant to Gateways;
- To maintain the current high standards of academic achievement as measured by public examinations and independent value-added criteria;
- To balance academic achievement with the social and cultural development of pupils by maintaining a broad and balanced curriculum;
- To maintain strong pastoral support throughout the School;
- To widen access to the School by seeking to increase the funds available for means tested bursaries and by promotion of the scheme;
- To widen access to and improve standards at the School by increasing the funds available for scholarships, and by developing assessment criteria to ensure awards are made on merit;
- To encourage new access to learning by the continued improvement of virtual learning environments;
- To continue to build links with other local schools, and encourage community access to the School's facilities; and
- To continue to review all areas of the School's operation to ensure that the School remains competitive in a changing economic climate.

Auditor

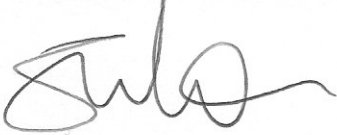
Saffery Champness LLP have expressed their willingness to continue in office.

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Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Report of the Governors. The Trustees authorise both the Strategic Report and the Report of the Governors below.

Approved by the Board of the Governors at this meeting on 22 January 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S Watson', written over a horizontal line.

S Watson – Chairman

**Gateways Educational Trust Limited
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Independent auditor's report to the members of Gateways Educational Trust Limited (a company limited by guarantee)

Opinion

We have audited the financial statements of Gateways Educational Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

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Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

.....
Sally Appleton (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Chartered Accountants	Mitre House
	North Park Road
	Harrogate
	HG1 5RX

Statutory Auditors

Date: 26 January 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of financial activities
for the year ended 31 August 2020

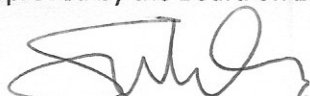
	<i>Notes</i>	2020 Unrestricted	2019
		£	£
Income from:			
<i>Charitable activities</i>			
Fees receivable		4,483,270	3,841,468
Less: Scholarships and bursaries and special discount		(566,574)	(384,356)
Net fees receivable		3,916,696	3,457,112
<i>Investments</i>			
Bank and other interest		2,072	1,598
<i>Other trading activities</i>			
Sundry income	3	62,304	98,059
<i>Voluntary sources</i>			
Donations / Grants	3	170,846	-
Total income		4,151,918	3,556,769
Expenditure:			
<i>Raising funds</i>			
Financing costs		(99,108)	(99,316)
Cost of other activities		(65,744)	(14,675)
	7	(164,852)	(113,911)
<i>Charitable activities</i>			
Education		(3,868,528)	(3,513,717)
Total expenditure	8	(4,033,380)	(3,627,708)
Net income for the year		118,538	(70,939)
Net movement in funds		118,538	(70,939)
Balances as at 1 September 2019		13,400,616	13,471,555
Balances carried forward at 31 August 2020		13,519,154	13,400,616

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Balance sheet
as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible Fixed Assets			
School's Land, Buildings and Equipment	9	<u>15,374,976</u>	<u>15,262,775</u>
Current assets			
Debtors	10	215,649	211,143
Bank Current Account and Cash		1,262,578	1,217,207
		<u>1,478,227</u>	<u>1,428,350</u>
Creditors: Due within one year	11	<u>(1,596,566)</u>	<u>(1,670,801)</u>
Net current (liabilities)/assets		<u>(118,339)</u>	<u>(242,451)</u>
Total assets less current liabilities		15,256,637	15,020,324
Creditors: Due after more than one year			
Loans and hire purchase	12	(1,563,226)	(1,478,551)
Accruals and deferred income	12	(174,257)	(141,157)
		<u>(1,737,483)</u>	<u>(1,619,708)</u>
Total net assets		<u>13,519,154</u>	<u>13,400,616</u>
Funds			
Unrestricted funds	13	13,519,154	13,400,616
Total funds		<u>13,519,154</u>	<u>13,400,616</u>

Approved by the Board on 22 January 2021 and signed on its behalf by



Stuart Watson - Chairman

The notes on pages 19 to 31 form part of these financial statements.

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Cash flow statement

for the year ended 31 August 2020

Reconciliation of Incoming/(Outgoing) Resources to Net Cash Inflow from Operating Activities

	<i>Note</i>	2020 £	2019 £
Cash flows from operating activities:			
<i>Net cash provided by (used in) operating activities</i>	20	447,623	645,561
Cash flows from investing activities:			
Dividends, interest and rents from investments		(99,108)	(99,316)
Purchase of property, plant and equipment		(387,397)	(130,477)
<i>Net cash provided by (used in) investing activities</i>		(486,505)	(229,793)
Cash flows from financing activities:			
Bank loan		120,000	-
Finance lease		27,664	-
Repayments of borrowing		(63,411)	(117,708)
<i>Net cash provided by (used in) financing activities</i>		84,253	(117,708)
<i>Change in cash and cash equivalents in the reporting period</i>		45,371	298,060
Cash and cash equivalents at the beginning of the reporting period		1,217,207	919,147
<i>Cash and cash equivalents at the end of the reporting period</i>		1,262,578	1,217,207

The notes on pages 19 to 31 form part of these financial statements

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Notes to the financial statements

1. Constitution

The Company is incorporated as a company limited by guarantee and not having a share capital. There were 8 members at 31 August 2020 each of whom has undertaken to contribute, if required, a maximum sum of £5 in the event of the company being wound up.

2. Accounting policies

a) Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)), the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies for accounting periods beginning on or after 1 January 2015.

The particular accounting policies adopted by the Board are described below and have been applied consistently throughout the current and preceding year except as described below.

The financial statements are prepared on the historical cost basis except that the following fixed assets are stated at their fair value: freehold land and buildings are measured in accordance with the revaluation model.

b) Going Concern

At the time these financial statements were approved and signed, the country and the economy were being adversely affected due to the COVID-19 virus.

The School has had to manage the impact of the public lockdown introduced by the Government in March 2020 and January 2021. During school closures, The School has continued to operate mostly through the provision of online education, and has also taken actions to save costs where they were not essential to the provision of that online education. For example, it has taken advantage of the Government's Job Retention Scheme to furlough staff who were not essential to the running of The School whilst these restrictions were in place. Such savings enabled The School to provide special discounts on school fees in the lockdown period. Therefore, the school has been able to mitigate the financial impact of the lockdown through the cost saving measures introduced.

The governors have prepared robust forecasts covering the period to August 2021 and have continued to revise these in light of the coronavirus pandemic. These forecasts have been stress tested with various scenarios and the impact on cash headroom has been considered. These projections show that, based on the current information available at the time of approval of the financial statements, the School will be able to operate effectively within the loan facilities available for the foreseeable future, meet its liabilities as they fall due for payment, and that sufficient headroom exists on the existing financial performance covenants attributed to the loan facilities. Therefore these accounts have been prepared on a going concern basis.

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c) Tangible Fixed Assets

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings. The School assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	- 100 years straight line
Temporary buildings	- 30 years straight line
Furniture, fittings and equipment	- 5 to 20 years straight line
Computer equipment	- 3 to 5 years straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expect to consume an asset's future economic benefits.

d) Revaluation

Land and buildings are stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains on revaluation are recognised in the Statement of Financial Activity, and accumulated in unrestricted reserves.

All fixed assets are held for charitable purposes.

e) Impairment

Financial assets (including trade and other debtors) – A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activity.

Non-financial assets – The carrying amounts of the School's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of asset that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in Statement of Financial Activity. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a

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pro rata basis. Impairment losses recognised for other assets are reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

f) Fees

Fees receivable consist of charges for the school year ending 31 August 2020, less allowances. Fees are invoiced on a term by term basis, and recognised as income in the period to which they relate.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. The irrecoverable element of VAT is included with the item of expense to which it relates.

h) Pension schemes

The School contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. Premiums are charged to the Statement of Financial Activities in the accounting period for which they are payable.

i) Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the assets had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful lives of the equivalent owned assets.

j) Basic financial instruments

Trade and other debtors / creditors – Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction cost. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments – Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest.

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Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents – Cash and cash equivalents comprise cash balances and call deposits.

k) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision is made for deferred tax liabilities in line with Financial Reporting Standard 19 'Deferred taxation'.

Gateways Educational Trust is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010, and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11 of the Corporation Tax Act 2010 or section 256 of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

There have been no material changes in accounting policies since the last financial statements.

l) Critical accounting judgments and key sources of estimation uncertainty

In the application of the School's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fee debtor provision

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the debtors.

3 Donations and grants	2020	2019
	£	£
Donations	35,050	-
Furlough grant	135,796	-
	170,846	-

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Other incoming resources		2020	2019
		£	£
Registration fees		7,595	12,528
Late payment surcharge		664	7,423
Property lettings		19,508	36,665
Sundry income		34,537	41,443
		62,304	98,059
		2020	2019
		£	£
4	Expenditure		
Governance costs include:			
Auditor remuneration		12,000	11,820
5	Staff costs	2020	2019
		£	£
Wages & salaries		2,289,950	2,033,202
Social security costs		212,754	191,660
Pension contributions		353,852	230,969
		2,856,556	2,455,831
		2020	2019
The average number of employees in the year was:		No.	No.
Teaching	Full time	48	44
	Part time	24	21
Domestic		1	1
Administration		14	9
		87	75
Number of employees whose emoluments fell within each of the following bands		2020	2019
		No.	No.
£70,001 - £80,000		1	-
£110,001 - £120,000		1	-
£120,001 - £130,000		-	1

Employee pension rights are explained in note 18.

The key management personnel of the Charity comprise the head teacher and deputy head teachers. The total employee benefits of the key management personnel were £326,888 (2019: £305,487).

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6 Trustees expenses and remuneration

No remuneration or expenses were paid to the trustees for their services as trustees during the period.

	2020	2019
	£	£
Trustee Indemnity Insurance premium	960	960

7 Finance and other costs

	2020	2019
	£	£
Loan interest	59,097	65,188
Other interest and charges	40,011	34,128
Bad debts	65,744	14,675
	164,852	113,991

8 Analysis of total expenditure

	Staff costs (Note 5) £	Other £	Depreciation (Note 9) £	Total £
Charitable Expenditure:				
Teaching costs	2,802,929	236,970	98,631	3,138,530
Premises	53,627	487,806	176,565	717,998
Governance costs	-	12,000	-	12,000
Total Education costs	2,856,556	736,776	275,196	3,868,528
Other expenditure:				
Finance costs	-	164,852	-	164,852
Total expenditure	2,856,556	901,628	275,196	4,033,380

Support Costs Include:

	2020	2019
	£	£
Associate staff salaries	273,693	174,514
Catering costs	174,778	234,440
Marketing costs	57,951	62,685
	506,422	471,639

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9 Tangible fixed assets

	Freehold Land and Buildings	Furniture, Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	15,135,245	646,647	222,733	16,004,625
Additions	230,649	82,269	74,479	387,397
Disposals	-	(364,342)	(49,436)	(413,778)
At 31 August 2020	15,365,894	364,574	247,776	15,978,244
Depreciation				
At 31 August 2019	175,944	456,672	109,234	741,850
Charge for year	176,565	54,807	43,824	275,196
Disposals	-	(364,342)	(49,436)	(413,778)
At 31 August 2020	352,509	147,137	103,622	603,268
Net Book Value				
At 31 August 2020	15,013,385	217,437	144,154	15,374,976
At 31 August 2019	14,959,301	189,975	113,499	15,262,775

All assets held by the Company are considered by the Governors to be held for direct charitable purposes.

Freehold land and buildings are valued by independent valuers every 5 years. The directors review the valuation of the portfolio every year. The last valuation was carried out on 31 August 2018. The fair value was measured using depreciated replacement cost. Key assumptions of this calculation are shown below:

Freehold buildings are depreciated on a straight line basis over their estimated useful life of 100 years, or 30 years for temporary buildings. A further provision of 20% is made to cover functional obsolescence and 5% to cover economic obsolescence.

The freehold land and buildings are pledged as security for the bank loan.

The historical cost of revalued freehold land and buildings within the School is:

	2020	2019
	£	
Historical cost	6,680,300	6,449,651
Accumulated depreciation	(2,413,976)	(2,347,173)
Historical cost net book value	<u>4,266,324</u>	<u>4,102,478</u>

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10 Debtors

	2020	2019
	£	£
Fees	72,760	67,968
Prepayments and other debtors	142,889	143,175
	215,649	211,143

11 Creditors due within one year

	2020	2019
	£	£
Bank loan	110,997	117,005
Trade creditors	83,015	133,336
Taxes and social security	53,227	96,694
Other creditors	98,231	50,682
Fees in advance	1,119,114	1,161,493
Finance lease	10,660	5,124
Accruals and deferred income	121,322	106,467
	1,596,566	1,670,801

12 Creditors due after more than one year

	2020	2019
	£	£
Accruals and deferred income – final term deposits	174,257	141,207
Bank loan	1,544,413	1,472,848
Finance lease	18,813	5,653
	1,737,483	1,619,708

Bank loans

	2020	2019
	£	£
The bank loan is repayable in instalments as follows:		
Due within one year	110,997	117,005
Due within two to five years	630,498	517,015
Due after five years	913,915	955,833
	1,655,410	1,589,853

The bank loans are secured by fixed and floating charges over the assets of the Charity. For the year ended 31 August 2020 bank loans attracted interest rates of 3.20% and 3.73% above base rate respectively (2019: 3.20% above base rate). The final repayment date for the loans are:

Schofield Building Loan	18 February 2031
Art Room Loan	31 August 2025

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Finance leases

	2020	2019
	£	£
Finance Leases are repayable in instalments as follows:		
Within one year	10,660	5,124
Between one and five years	18,813	5,653
After five years	-	-
	29,473	10,777

Deferred income

Elements of income deferred for the company are as follows:

	2020	2019
	£	£
Fees in advance current (note 11)	1,119,114	1,161,493
Fees in advance non-current	20,109	12,215
Final term deposits	154,148	128,942
	1,293,371	1,302,650

Fees in advance relate to amounts received in respect of future terms. Final term deposits are paid by the fee payer when the pupil joins the school and repaid when the pupil leaves the school.

	Fees in advance	Final term deposits	Total
	£	£	£
Balance brought forward as at 1 September 2019	1,173,708	128,942	1,302,650
Amounts released/repaid in the period	(1,173,708)	(10,702)	(1,184,410)
Amounts received in the period	1,139,223	35,908	1,175,131
Balance carried forward as at 31 August 2020	1,139,223	154,148	1,293,371

13 Funds

Unrestricted funds

The School's unrestricted funds are held to finance the freehold property and other assets, to fund the development of the School and to cover normal fluctuations in working capital.

	Revaluation reserve	Retained surpluses account	2020	2019
	£	£	£	£
At the beginning of the year	10,856,166	2,544,450	13,400,616	2,503,285
Transfer from restricted funds	-	-	-	10,968,270
Surplus (deficit) for the year	-	118,538	118,538	(70,939)
Revaluation reserve transfer	(112,104)	112,104	-	-
At the end of the year	10,744,062	2,775,092	13,519,154	13,400,616

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The transfer from the revaluation reserve in the year is to counter the increased depreciation now charged each year on the revalued property value.

Restricted funds

Revaluation of land and buildings	2020	2019
	£	£
At the beginning of the year	-	10,968,270
Transfer to unrestricted funds	-	(10,968,270)
Revaluation in the year	-	-
At 31 August 2020	-	-

On review of the revaluation of fixed assets in the prior year, the trustees have determined that there is no restriction attached to the properties in question and therefore the restricted fund has been transferred to unrestricted funds in the current year.

14 Contracts and commitments

Capital expenditure totalling £Nil (2019: £Nil) has been authorised by the Governors and contracted for completion in the next year.

15 Lease commitments

At the year end, the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Operating Leases	2020	2019
	£	£
Within one year	35,412	35,412
Between one and five years	89,995	125,408
After five years	-	-
	125,407	160,820

16 Related party transactions

There have been no transactions with related parties during the year (2019: £nil).

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17 Financial Instruments

	2020	2019
	£	£
Carrying amount of financial assets measured at amortised cost	72,760	67,968
Carrying amount of financial liabilities measured at amortised cost	1,855,469	1,780,202

18 Pension costs

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £340,005 (2019: £220,656) and at the year-end £38,964 (2019 - £28,066) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions of FRS102 the TPS is a multi-employer pension scheme. The school has accounted for its contributions to the scheme as if it were a defined contribution pension scheme.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. Employers during the period until August 2019 were required to pay a scheme administration levy of 0.08% on top of the contribution rate, giving a total employer contribution of 16.48%. Following an actuarial review in 2019, the amount employers are required to pay towards the scheme increased to 23.68% from September 2019. The timing of the implementation is to align its introduction with employers' budget planning cycles. This employer rate will be payable until the completion and outcome of the next actuarial valuation.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Other pension schemes

The School operate a defined contribution scheme for its non-teaching staff. The total pension charge for the year amounted to £13,847 (2019: £10,313).

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19 Analysis of changes in net debt

	Cash in hand at bank £	Bank loan £	Finance leases £	Total £
Balance at 1 September 2019	1,217,207	(1,589,853)	(10,827)	(383,473)
Cash flows	45,371	(65,557)	(18,646)	(38,832)
Balance at 31 August 2020	1,262,578	(1,655,410)	(29,473)	(422,305)

20 Reconciliation of net income/(expenditure) for the reporting period

	Note	2020 £	2019 £
<i>Net income/(expenditure) for the reporting period (per SOFA)</i>		118,538	(70,939)
Adjustments for:			
Depreciation charges	9	275,916	273,903
Dividends, interest and rents from investment		99,108	99,316
(Increase)/decrease in debtors		(4,506)	(8,160)
Increase/(decrease) in creditors		(41,433)	351,441
<i>Net cash provided by (used in) operating activities</i>		447,623	645,561

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21 Comparative statement of financial activities

	<i>Note</i>	Unrestricted funds	Restricted funds	2019	2018
		£	£	£	£
Incoming resources					
<i>Income from charitable activities</i>					
Fees receivable	2	3,841,468	-	3,841,468	3,637,377
Less: Scholarships and bursaries	2	(384,356)	-	(384,356)	(344,439)
Net fees receivable		3,457,112	-	3,457,112	3,292,938
<i>Incoming resources from generated funds</i>					
Bank and other interest		1,598	-	1,598	426
Sundry income	3	98,059	-	98,059	86,727
Donations / Grants	3	-	-	-	13,181
Total incoming resources		3,556,769	-	3,556,769	3,393,272
Resources expended					
<i>Costs of generating funds</i>					
Finance and other costs	7	(113,991)	-	(113,911)	(80,111)
		(113,991)	-	(113,911)	(80,111)
<i>Charitable activities</i>					
Teaching costs		(2,760,220)	-	(2,760,220)	(2,706,902)
Premises		(741,677)	-	(741,677)	(638,822)
Governance costs		(11,820)	-	(11,820)	(11,000)
Total resources expended	6/7	(3,627,708)	-	(3,627,708)	(3,436,835)
Net incoming resources		(70,939)	-	(70,939)	(43,563)
Net movement in funds		(70,939)	-	(70,939)	(43,563)
Transfer between reserves		10,968,270	(10,968,270)	-	-
Revaluation of tangible fixed assets		-	-	-	10,968,270
Balances as at 1 September 2018		2,503,285	10,968,270	13,471,555	2,546,848
Balances carried forward at 31 August 2019		13,400,616	-	13,400,616	13,471,555