



GATEWAYS SCHOOL

Gateways Educational Trust Limited

A Company Limited by Guarantee

**Strategic Report, Report of the Governors
and Financial Statements**

31st August 2021

Company Registered Number: 00702484

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Report of the Governors: Reference and Administrative Information

Governors and Charity Trustees

The Governors of the school are also the Charity Trustees and the Directors of the Company. The Governors are permanent members and they are not subject to retirement by rotation. The following governors served during the year:

Name	Role	Committee Membership	Notes	Meeting Attendance		
				18/11/20	17/03/21	16/06/21
Mr S Watson BA FCA	Chairman	Finance Committee		X	X	X
Mrs G A Brennan BA (Hons), PGCE	Safeguarding Governor			X	X	X
Prof. M G Brennan BA, MA, D.Phil		Academic Committee		X	X	X
Mrs M Calvert BA (Hons), MA				X	X	X
Mr C J Chambers ACA, Llb, Barrister	Chair of Finance	Finance Committee		X	X	X
Sir Roger Marsh OBE, DL, BSc, FCA, HonDUniv, CMgr, CCMI		Finance Committee	Appointed 2 nd December 2021	N/A	N/A	N/A
Dr J. Matharoo		Academic Committee		-	-	X
Mr R M Webster, BSc, MRICS		Academic Committee		-	X	X

Officers

The Head:	Dr T Johnson BSc (Hons), PhD, PGCE
Company Secretary:	Mrs Kate Davison BA (Hons), ACCA
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 Harrogate HG1 5RX

Report of the Governors

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 2021 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 and 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 one and two 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 R Marsh was appointed to the Governing Board on 2 December 2021.

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 sub committees which meet prior to each meeting of the full Governing Board. The day to day management of the School is delegated to the Head and the Leadership Team.

Finance Committee

The Finance Committee meets at least three times a year. It monitors the financial performance of the school through reviewing the management accounts and review and approval of the annual financial statements, budgets and forecasts. It also oversees capital expenditure, financial controls and procedures, and relationships with external parties such as bankers and the auditors. In addition the Finance Committee oversees and approves pay for all staff, sets objectives for the Head for each year and conducts an appraisal on behalf of the Governors of the performance of the Head.

Academic Committee

The Academic Committee meets at least three times a year. It monitors the academic performance of the school with a view to maintaining and enhancing the high standard of academic performance

and pastoral care. It also sets objectives for enhancements to academic policies and procedures and monitors the achievement of those objectives.

Safeguarding

Safeguarding is a standing item on the Governors meeting agenda. There is also a Safeguarding Governor who carries out an independent review of safeguarding in the school and reports back on findings to the Governors meeting.

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. It is also an active member of the Society of Heads, Independent Schools' Bursars Association and the Association of Governing Bodies of Independent Schools.

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 be able to benefit from the opportunities available to them on leaving Gateways.

In setting our objectives and planning its 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;
- carrying 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;
- optimising the pupil/teacher ratio so as to give pupils the necessary time for developing both academic and wider skills;
- continuing 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
- increasing access to the school by widening community access to both our facilities and education.

Strategies to achieve this year's objectives were to:

- continue to recruit and develop well qualified teaching staff, thus enhancing the high standards of academic achievement;
- promote social and cultural development through an extensive and efficiently managed extra-curricular programme;
- 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. It collaborates with a number of local charities and organisations to widen public access to our schooling. It also optimises 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. This has however been reduced temporarily due to Covid 19 infection control measures. Groups, holiday clubs and one-off events using the facilities offer opportunities in music, dancing, drama and a variety of sports. and netball. on a weekly basis. Clubs are open to all children irrespective of the school they attend and offer a wide range of experiences.

The education of the pupils at the expense of the parents will have saved the Treasury an estimated £2.52 million per annum, assuming a cost of £6,000 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 5% 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 e.g. 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. In normal times this includes illness or redundancy however during the pandemic a number of families have required additional support. This has ranged from offering flexibility with payment timings to additional bursary awards through the Covid Hardship Scheme.

Scholarships

Scholarships are awarded to pupils on the basis of merit. Candidates are invited to attend an interview with the Head 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 5% to 25% 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 Head.

Bursaries and scholarships totalling £484,069 were awarded to 107 pupils during the year (2020: £405,439 to 96 pupils).

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 2021 this amount has been calculated as £0 (2020: £0).

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 2021, the minimum available cash was £523,786 (2020: £616,868).

The School has £13,664,889 of unrestricted reserves of which £10,631,958 represents a revaluation reserve and £3,032,931 represents retained surpluses. The revaluation reserve not classified as free reserves as this can only be realised by the disposal of tangible fixed assets. 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.

The School aims to continue to provide high quality facilities to enhance the educational, cultural and sporting life of the pupils and also to become carbon neutral. The Governors seek to achieve this by implementing a programme of on-going capital investment in existing and new facilities. A significant step on this journey has been the purchase of the Old Vicarage to improve sixth form facilities. As can be seen, projects such as this increase the value of tangible fixed assets at the expense of free reserves.

This programme will be financed from the proceeds of fund raising activities, available unrestricted funds and further bank borrowing. The Governors feel that debt servicing can be prudently covered by fee income and the surplus on trading activities. However, the desire for continued investment will be balanced against the need to ensure the school has adequate and appropriate free and liquid reserves at all times.

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 11 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 10.

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 or are 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.

Trustees' 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.

Through our Prep and High schools, we aim 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 at home and overseas was curtailed from March 2020 due to the Covid-19 Pandemic. There were however local trips in the Summer term and the programme is resuming as national and international restrictions permit.

The Combined Cadet Force (CCF) was established with Horsforth School under the Cadet Expansion Programme.

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

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 £522,269 (2020: £452,831).

The operating results show a surplus of £145,735 (2020: £118,538).

The number of pupils on the roll has increased during the year from 393 at the start of the year to 415 pupils at 31 August 2021.

The school has restructured debt and consolidated two loans into a single larger loan over a longer term with an improved rate. This has allowed the purchase of The Old Vicarage and the next step of the school's development.

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.

- Continued impact of the COVID-19 pandemic on the health of pupils and staff and disruption to teaching
- Maintaining high standards of teaching and academic achievement
- Maintaining high standards of pupil safeguarding and pastoral care
- Cyber security and data protection
- Financial risks including increases in the Teachers' Pension Scheme employer contribution, and adverse changes in the tax regime for education charities

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 majority of pupils, this continued throughout the summer term and subsequent lockdown periods. The Governors are pleased to report that the online services have worked well in the circumstances based on parent and teacher feedback. During the November lockdown period schools were required to remain open. There was therefore no cost saving to be made however some external income streams were affected.

In January 2021 to March 2021 there was a further period of national lockdown. Schools were expected to remain open to a larger cohort of pupils. 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. There were however limited cost savings to be made as more buildings were required to remain open and heated during the winter months as more staff and pupils were on site. Cost savings from this period were passed back to families through the Covid Hardship Scheme.

The school has managed well financially during the pandemic however there are certain areas of operation where there has been an undeniable impact:

- Numbers entering the early years provision dipped as more parents remained at home however since the national re-opening, the situation has improved dramatically.
- Families were encouraged to minimise the use of the school's wrap around care as an infection control measure. The provision had to remain open but to fewer pupils. Although staffing levels have been modified, it has run at a loss during this financial year. The provision is being re-launched during the Autumn Term of 2021 with a view to numbers returning to previous levels.
- The school has not been able to run the number or range of out of hours events or lettings. This has impacted on the income collected.
- A number of families were supported with temporary bursaries or increases to bursaries to alleviate Covid-related financial hardship. The decision was taken to avoid losing pupils for the long-term based on short-term financial difficulties linked to the pandemic. This has led to an increase in both debtors and also in bursaries awarded.

At the time of preparing these financial statements the government has lifted the majority of restrictions due to increased vaccination levels across the population. There are however increasing cases in the under 18 age group. Therefore a risk of further public lockdowns remain. 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

The School adopted a ten year plan to 2030 which focussed on the following areas:

- Outstanding education for girls and boys from 2 to 18
- Best teachers and best place to build a career for teachers and other staff
- Partnering with parents and alumni
- School infrastructure
- Environmental, social and governance
- Financial forecasts

Objectives for each year are then agreed with the Head in implementing the strategy.

We have noted above the strong academic results achieved in the year and have plans in place to continue to perform at a high level, centred around our small class sizes which give both teachers and pupils the opportunity to perform to a high standard.

In 2020/21 we have introduced formal opinion surveys with both parents and teachers and will continue to conduct surveys in future years. These surveys give us a more detailed understanding of parents and teacher views on the school and allow us to take those views into account in the way the school is managed.

Pupil numbers have been rising for several years and therefore investment has been required and will be required in the school buildings to accommodate the increase in pupils. We have recently purchased The Old Vicarage which is a large house and grounds adjoining the school site. The Old Vicarage has many of the characteristics of the Dower House and so will integrate seamlessly into the campus as a new sixth form centre. An extensive renovation programme has begun and we expect to formally open the new sixth form centre during 2022.

The school has made some progress on environmental matters after reviews of suppliers of energy and uniforms. We have also had a review of the school buildings done by consultants with resulting actions being planned over a number of years as a result. Improving the energy efficiency of our buildings, especially the older buildings, is the first step in a longer term plan to achieve net zero.

Our financial results are commented on elsewhere. The school finances are managed so as to keep costs under tight control whilst delivering a high standard of education.

Auditor

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

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 ²⁰..... December 2021 and signed on its behalf by:



S Watson
Chairman

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 Limited for the year ended 31 August 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 and the Strategic 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 and the Strategic 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 and Strategic 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 9, 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.

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 regulations made under 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance to the charitable company include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales. Further the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with

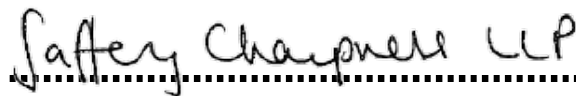
appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Chartered Accountants	Saffery Champness LLP Mitre House Harrogate HG1 5RX
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Statutory Auditors

Date: 21 December 2021

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

Statement of Financial Activities: Year Ending 31st August 2021

		2021	2020
	Note	Unrestricted	Unrestricted
		£	£
Income from:			
<i>Charitable activities</i>			
Fees receivable		4,786,405	4,483,270
Less: Scholarships and bursaries and special discount		-484,069	-566,574
Net fees receivable		4,302,336	3,916,696
<i>Investments</i>			
Bank and other interest		118	2,072
<i>Other trading activities</i>			
Sundry income	3	95,542	62,304
<i>Voluntary sources</i>			
Donations / Grants	3	91,234	170,846
Total income		4,489,230	4,151,918
Expenditure:			
<i>Raising funds</i>			
Financing costs		-80,028	-99,108
Cost of other activities		-18,000	-65,744
	7	-98,028	-164,852
<i>Charitable activities</i>			
Education		-4,245,467	-3,868,528
Total expenditure	8	-4,343,495	-4,033,380
Net income for the year		145,735	118,538
Net movement in funds		145,735	118,538
Balances as at 1 September 2020		13,519,154	13,400,616
Balances carried forward at 31 August 2021		13,664,889	13,519,154

The notes on pages 21 to 33 form part of these financial statements.

Balance Sheet as at 31st August 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible Fixed Assets			
School's Land, Buildings and Equipment	9	<u>16,438,339</u>	<u>15,374,976</u>
Current assets			
Debtors	10	226,084	215,649
Bank Current Account and Cash		1,465,138	1,262,578
		<u>1,691,222</u>	<u>1,478,227</u>
Creditors: Due within one year	11	<u>-1,667,895</u>	<u>-1,596,566</u>
Net current assets/(liabilities)		<u>23,327</u>	<u>-118,339</u>
Total assets less current liabilities		16,461,666	15,256,637
Creditors: Due after more than one year			
Loans and hire purchase	12	-2,629,529	-1,563,226
Other Creditors	12	-24,000	-
Accruals and deferred income	12	-143,248	-174,257
		<u>-2,796,777</u>	<u>-1,737,483</u>
Total net assets		<u>13,664,889</u>	<u>13,519,154</u>
Funds			
Unrestricted funds	13	<u>13,664,889</u>	<u>13,519,154</u>
Total funds		<u>13,664,889</u>	<u>13,519,154</u>

Approved by the Board on 20 December 2021 and signed on its behalf by:

Stuart Watson
Chairman

The notes on pages 21 to 33 form part of these financial statements.

Cash Flow Statement for the Year Ended 31st August 2021

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

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	19	723,287	447,623
Cash flows from investing activities:			
Dividends, interest and rents from investments		-98,028	-99,108
Purchase of property, plant and equipment		-1,361,200	-387,397
Net cash provided by (used in) investing activities		-1,459,228	-486,505
Cash flows from financing activities:			
Bank loan		2,628,000	120,000
Finance lease		15,063	27,664
Repayments of borrowing		-1,704,562	-63,411
Net cash provided by (used in) financing activities		938,501	84,253
Change in cash and cash equivalents in the reporting period		202,560	45,371
Cash and cash equivalents at the beginning of the reporting period		1,262,578	1,217,207
Cash and cash equivalents at the end of the reporting period		1,465,138	1,262,578

The notes on pages 21 to 33 form part of these financial statements.

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 seven members at 31 August 2021 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 freehold land and buildings are stated at their fair value and 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 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. Given the government expectation that more children would be able to attend school through key worker bubbles, it was not possible to reduce activity to the level of previous lockdown periods. This mean that savings were far more modest than during previous lockdowns. Savings were made available as a Covid Hardship Fund for families to apply to had they been adversely affected financially by the pandemic.

The governors have prepared robust forecasts covering the period to December 2022 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 facility 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.

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 (CGU). 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 (or group of units) on a 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 less allowances for the school year ending 31 August 2021. 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 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 are recognised initially at the present value of future payments discounted at a market rate of interest. 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 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.

m. Government Grants

Gateways School received £55k in furlough grant from the government to support the salaries of staff who predominantly relate to traded activities which were unable to run during the pandemic.

3. Donations and Grants

	2021	2020
	£	£
Donations	38,239	35,050
Furlough grant	52,995	135,796
	<u>91,234</u>	<u>170,846</u>

	2021	2020
	£	£
Other Incoming Resources		
Registration fees	11,875	7,595
Late payment surcharge	-	664
Property lettings	13,084	19,508
Sundry income	70,583	34,537
	95,542	62,304

4. Expenditure

	2021	2020
	£	£
Governance costs include:		
Auditor remuneration	13,000	12,000

Operating lease payments amounting to £39,588 were made during the year.

5. Staff Costs

	2021	2020
	£	£
Wages and salaries	2,544,564	2,289,950
Social security costs	238,886	212,754
Pension contributions	374,388	353,852
	3,157,838	2,856,556

	2021	2020
	No.	No.
The average number of employees in the year was:		
Teaching Full time	47	48
Part time	25	24
Domestic	2	1
Administration	15	14
	89	87

Number of employees whose emoluments fell within each of the following bands:

	2021	2020
	No.	No.
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-

Employee pension rights are explained in note 17.

The key management personnel of the charity comprise the Head, Deputy Heads and Bursar. The total employee benefits of the key management personnel were £358,679 (2020: £326,888).

6. Trustees Expenses and Remuneration

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

	2021	2020
	£	£
Trustee indemnity insurance premium	2,240	960

7. Finance and Other Costs

	2021	2020
	£	£
Loan interest	63,296	59,097
Other interest and charges	16,732	40,011
Bad debts	18,000	65,744
	98,028	164,852

8. Analysis of Total Expenditure

	Staff costs (Note 5)	Other	Depreciation	Total
	£	£	£	£
Charitable Expenditure:				
Education costs	3,069,506	382,503	54,824	3,506,833
Premises	88,332	408,382	223,682	720,396
Governance costs	-	18,238	-	18,238
Total Education costs	3,157,838	809,123	278,506	4,245,467
Other expenditure:				
Finance costs	-	98,028	-	98,028
Total expenditure	3,157,838	907,151	278,506	4,343,495

Support Costs Included in the above:	2021	2020
	£	£
Associate staff salaries	278,519	273,693
Catering costs	207,133	174,778
Marketing costs	42,216	57,951
	527,868	506,422

2020 Comparative Information	Staff costs (Note 5) £	Other £	Depreciation £	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

9. Fixed Assets

	Freehold Land and Buildings £	Furniture, Fixtures and Fittings £	Computer Equipment £	Assets Under Construction £	Total £
Cost					
At 1 September 2020	15,365,894	364,574	247,776	-	15,978,244
Additions	66,103	31,862	149,819	1,113,416	1,361,200
Disposals	-	-	-66,091	-	-66,091
At 31 August 2021	15,431,997	396,436	331,504	1,113,416	17,273,353
Depreciation					
At 31 August 2020	352,509	147,137	103,622	-	603,268
Charge for year	187,557	36,125	54,824	-	278,506
Disposals	-	-	-46,760	-	-46,760
At 31 August 2021	540,066	183,262	111,686	-	835,014
Net Book Value					
At 31 August 2021	14,891,931	213,174	219,818	1,113,416	16,438,339
At 31 August 2020	15,013,385	217,437	144,154	-	15,374,976

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 five 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:

	2021 £	2020 £
Historical cost	6,746,403	6,680,300
Accumulated depreciation	-2,481,440	-2,413,976
Historical cost net book value	<u>4,264,963</u>	<u>4,266,324</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £34,632 for the year.

	2021 £	2020 £
Fixtures and Fittings Cost	33,771	33,771
Accumulated depreciation	-26,735	-22,514
Net book value	<u>7,036</u>	<u>11,257</u>

	2021 £	2020 £
IT Equipment	106,396	27,663
Accumulated depreciation	-9,221	-3,689
Net book value	<u>97,175</u>	<u>23,974</u>

10. Debtors

	2021 £	2020 £
Fees	54,890	72,760
Prepayments and other debtors	171,194	142,889
	<u>226,084</u>	<u>215,649</u>

11. Creditors Due Within One Year

	2021	2020
	£	£
Bank loan	92,142	110,997
Trade creditors	12,494	83,015
Taxes and social security	61,414	53,227
Other creditors	82,808	98,231
Fees in advance	1,265,261	1,119,114
Finance lease	37,278	10,660
Accruals and deferred income	116,498	121,322
	1,667,895	1,596,566

12. Creditors Due After More Than One Year

	2021	2020
	£	£
Accruals and deferred income: final term deposits	143,248	174,257
Other Creditors	24,000	-
Bank loan	2,535,858	1,544,413
Finance lease	93,671	18,813
	2,796,777	1,737,483

Bank Loans

	2021	2020
	£	£
The bank loan is repayable in instalments as follows:		
Due within one year	92,142	110,997
Due within two to five years	402,528	630,498
Due after five years	2,133,330	913,915
	2,628,000	1,655,410

The bank loan provided by Nat West bank is secured by fixed and floating charges over the assets of the charity. The two previous loans have been repaid and consolidated into a single larger loan. The increase in the loan value was to purchase The Old Vicarage.

For the year ended 31 August 2021 bank loans attracted an interest rate of 3.40% above base rate (2020: 3.20% and 3.73% above base rate). The final repayment date for the loan is 11th August 2041.

Finance Leases

	2021	2020
	£	£
Finance leases are repayable in instalments as follows:		
Within one year	37,278	10,660
Between one and five years	93,671	18,813
After five years	-	-
	130,949	29,473

Deferred income

Elements of income deferred are as follows:

	2021	2020
	£	£
Fees in advance current (note 11)	1,265,261	1,119,114
Fees in advance non-current	-	20,109
Final term deposits	143,248	154,148
	1,408,509	1,293,371

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 2020	1,139,223	154,148	1,293,371
Amounts released/repaid in the period	-1,139,223	-54,180	-1,193,403
Amounts received in the period	1,265,261	43,280	1,308,541
Balance carried forward as at 31 August 2021	1,265,261	143,248	1,408,509

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	2021	2020
	£	£	£	£
At the beginning of the year	10,744,062	2,775,092	13,519,154	13,400,616
Transfer from restricted funds	-	-	-	-
Surplus / (deficit) for the year	-	145,735	145,735	118,538
Revaluation reserve transfer	-112,104	112,104	-	-
At the end of the year	10,631,958	3,032,931	13,664,889	13,519,154

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

14. 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:

	2021	2020
	£	£
Operating Leases		
Within one year	35,412	35,412
Between one and five years	54,583	89,995
After five years	-	-
	<u>89,995</u>	<u>125,407</u>

15. Related Party Transactions

There have been the following related party transactions during the year (2020: £nil):

Ethan Johnson (Headteacher's son): supply of IT repair services £342.14

There were no balances owed to related parties at year end.

16. Financial Instruments

	2021	2020
	£	£
Carrying amount of financial assets measured at amortised cost	54,890	72,760
Carrying amount of financial liabilities measured at amortised cost	2,854,251	1,855,469

17. 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 £356,286 (2020: £340,005) and at the year-end £44,654 (2020: £38,964) 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.

The School operate a defined contribution scheme for its non-teaching staff. The total pension charge for the year amounted to £18,101 (2020: £13,847).

18. Analysis of Changes in Net Debt

	Cash in hand at bank	Bank loan	Finance leases	Total
	£	£	£	£
Balance at 1 September 2020	1,262,578	-1,655,410	-29,473	-422,305
Cash flows	202,560	-972,590	-101,476	-871,506
Balance at 31 August 2021	1,465,138	-2,628,000	-130,949	-1,293,811

19. Reconciliation of Net Income/(Expenditure) for the Reporting Period

	Note	2021 £	2020 £
Net income/(expenditure) for the reporting period (per SOFA)		145,735	118,538
Adjustments for:			
Depreciation charges	9	278,506	275,916
Dividends, interest and rents from investment		98,028	99,108
(Increase)/decrease in debtors		-10,435	-4,506
Increase/(decrease) in creditors		211,453	-41,433
Net cash provided by (used in) operating activities		723,287	447,623

20. Comparative Statement of Financial Activities

		2020	2019
	Note	£	£
Incoming resources			
<i>Income from charitable activities</i>			
Fees receivable	2	4,483,270	3,841,468
Less: Scholarships and bursaries	2	-566,574	-384,356
Net fees receivable		3,916,696	3,457,112
<i>Incoming resources from generated funds</i>			
Bank and other interest		2,072	1,598
Sundry income	3	62,304	98,059
Donations / Grants	3	170,846	-
Total incoming resources		4,151,918	3,556,769
Resources expended			
<i>Costs of generating funds</i>			
Finance and other costs	7	-164,852	-113,911
		-164,852	-113,911
<i>Charitable activities</i>			
Teaching costs		-3,138,530	-2,760,220
Premises		-717,998	-741,677
Governance costs		-12,000	-11,820
Total resources expended	7/8	-4,033,380	-3,627,708
Net incoming resources		118,538	-70,939
Net movement in funds		118,538	-70,939
Transfer between reserves		-	-
Revaluation of tangible fixed assets		-	-
Balances as at 1 September 2018		13,400,616	13,471,555
Balances carried forward at 31 August 2019		13,519,154	13,400,616