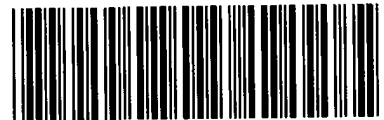


1 doc

COMPANY REGISTRATION NUMBER: 01536398
CHARITY REGISTRATION NUMBER: 282558

The Gatehouse Educational Trust Limited
Company Limited by Shares
Report and Financial Statements
31 August 2019

WEDNESDAY



A94H0QRE

A07

06/05/2020

#96

COMPANIES HOUSE

The Gatehouse Educational Trust Limited

Company Limited by Shares

Report and Financial Statements

Year ended 31 August 2019

	Pages
Trustees' annual report (incorporating the directors' report)	1 to 10
Independent auditor's report to the members	11 to 14
Statement of financial activities (including income and expenditure account)	15
Statement of financial position	16
Statement of cash flows	17
Notes to the report and financial statements	18 to 25

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 August 2019

The trustees, who are also the directors for the purposes of company law, present their report and the Report and Financial Statements of the charity for the year ended 31 August 2019.

Reference and administrative details

Registered charity name The Gatehouse Educational Trust Limited

Charity registration number 282558

Company registration number 01536398

Principal office and registered office Gatehouse School
Sewardstone Road
Victoria Park
London
E2 9JG

The trustees Mrs R Arnold
Sir A Everington MD OBE
R Newhall
I Duncan
Mrs D Graham
Mrs C J Clark
Miss J C Scott
Ms J S Beck
Mrs B Canham

Company secretary Mrs T C Sewell

Auditors Quay Business Advice Limited
Chartered accountants & statutory auditors
1 Town Quay Wharf
Abbey Road
Barking
Essex IG11 7BZ

Bankers Lloyds TSB Plc
Threadneedle Street Branch

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Structure, governance and management

Governing Documents

The organisation is a charitable company limited by shares, incorporated on the 29th December 1980 as Ferrygate Limited. The name was changed to The Gatehouse Educational Trust Limited with a Certificate of Incorporation on Change of Name dated 8th May 1981 and registered as a charity on 13th May 1981. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up any property that remains shall be given to some other charitable institution or institutions having objects similar to the objects of the Company. The Articles of Association were revised in 2014 and were accepted by the Charity Commission on 3rd February 2015.

Recruitment and Appointment of Governing Body

The board of directors (also known as Governors) are elected by a majority of the existing board members and remain for so long as they fulfil the requirements of the Memorandum and Articles of Association.

As an Educational Trust managing The Gatehouse School the charity's work focuses on the education and welfare of young people and the management of the staff who work for the school and the provision of suitable premises. The Governors seek to ensure that the needs of the School are appropriately reflected through the diversity of the Board in its capacity as the Governing Body of that School.

The traditional educational, humanitarian and business skills are well represented on the Governing Body. In an effort to maintain this broad skill mix, in the event of a skill being lost through retirement, individuals are approached to offer themselves for election to the Board.

Governors Induction and Training

All governors are made aware of the material available from the Charity Commission's Guide "The Essential Trustee". The governing body joined AGBIS in 2009 and all members received a copy of the AGBIS publication "Guidelines for Governors" and many have attended governor training sessions run by AGBIS.

Trustees' indemnities

In accordance with normal commercial practice, the charity has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on charity business.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Structure, governance and management *(continued)*

Organisational Structure

The Governing Body meets each term and considers the minutes of the previous meeting and receives reports from the Headmaster, the Bursar and the Health and Safety Officer. Safeguarding procedures are reviewed annually. A member of the Board is designated to be responsible for monitoring Safeguarding procedures.

The school was managed, for the autumn term by Mrs Sevda Korbay, Acting Headteacher. Mrs Rebecca Whitlock took over as Headteacher from 3rd January 2019 for the remainder of the academic year. On Mrs Whitlock's appointment, Mrs Korbay resumed her position as Deputy Head. The teaching staff and classroom assistants answer directly to the Headteacher. The Bursar, Mrs Tracey Sewell, is jointly responsible to the Headmaster and also, in her capacity as Company Secretary and Clerk to the Governors, to the Chair of Governors. The Head, Deputy Head and Bursar attend meetings of the Governing Body in an advisory, non-voting capacity.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Objectives and activities

The school was founded in May 1948 by Phyllis Wallbank, a pioneer of educational development, in the gatehouse of St Bartholomew of the Great Priory Church, West Smithfield. The School was then a pioneer of much that is now generally accepted in education.

In setting our objectives and planning our activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The school follows the philosophy of Phyllis Wallbank in which:

"Children of any race, colour, creed, background and intellect shall be accepted as students and work side by side without streaming or any kind of segregation, with the aim that each child shall get to know and love God, and to develop their own uniqueness of personality to enable them to appreciate the world and the world to appreciate them."

Gatehouse is now located in Sewardstone Road close to Victoria Park, where it continues to follow the education philosophy of Phyllis Wallbank. Gatehouse pupils gain entrance to a variety of senior schools, both in London and further afield.

Previous leavers have gone on to:

- The City of London Schools for Boys and Girls
- Bancroft's School
- Brentwood School
- Colfe's
- Cheltenham College
- Forest School
- Francis Holland
- Highgate
- St Paul's Choir School
- The Park School for Girls, Ilford
- Normanhurst School, Chingford
- The Royal School, Hampstead
- Christ's Hospital School
- Queen's School, Harley Street
- Blackheath High School for Girls
- Coopers' Company and Coborn School
- Benenden School
- Palmers Green School for Girls
- Latymer School
- Chigwell School
- The London Oratory School
- Raphael Independent School

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Mrs Wallbank was a friend and professional associate of Maria Montessori. Several of the teachers in the lower years of the Junior School and Nursery have a Montessori background and employ these teaching strategies alongside more traditional methods. This provides a carefully planned sequence of activities in a prepared environment for each child and for the class group.

The School aims to make children aware of others and be both considerate and polite to each other, have the ability to co-operate, achieve individual independence, build up self esteem and self-image, learn care and responsibility towards and for the environment and be able to organise themselves.

We follow the child's own developmental stages and introduce relevant apparatus when appropriate. The Nursery provides an environment in which the child can experiment with, and learn through a rich variety of art and project work. We aim for children to be able to listen to and participate in group discussions and to be able to express themselves clearly, using a wide vocabulary. Each child is given the opportunity to develop at his or her own pace. Interest in words is encouraged through stories, both told and read, poems and discussions and through the joint exploring of the environment by the teacher and child together.

Letters and numbers are only a part of the daily routine. There is a whole range of other equally important activities in which the children are engaged. This includes both practical and social learning.

The Nursery children have a music/percussion lesson once a week and enjoy singing most days. At the end of the Christmas and Summer terms the Nursery children perform a play or concert. These are enjoyable social occasions when parents can meet the teachers and one another.

Gatehouse School has its own Sports Hall, which the Nursery children use several times a week for PE and indoor play sessions for after school activities. The Nursery has its own play area with which we use throughout the day. Children also have access to the extensive school playground.

All children are taken on visits to museums, art exhibitions and other places of interest, as part of their project work. The School has six minibuses, which we use for these outings.

Written reports are sent to parents at the end of each term and Parents' Evenings or meetings are held regularly.

Teaching from the age of 7 is by subject and is conducted by highly qualified specialist staff, with relevant qualifications. This is a special feature of Gatehouse and gives children, from an early age, contact with subject specialists not normally available to children until secondary school.

Gatehouse School has an enviable teaching staff to pupil ratio. In upper year groups specialist subject teachers are deployed. The School places a high priority upon ensuring that all children receive the individual attention that is required to develop their abilities and their own personalities.

We follow the National Curriculum and GL assessment procedures. The School curriculum, in addition to the core subjects of English, Mathematics and Science, includes: History, Geography, Computing, Music, Art, Religious Education, Physical Education, current affairs and Drama.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

PUBLIC BENEFIT

The Directors have considered the requirements of S2 of the Charities Act 2006. Gatehouse School is committed to providing a genuine Public Benefit to our local community. The school now provides 132 places from September each year to 3 and 4 year olds who benefit from the government's Nursery Education Funding scheme.

Furthermore, during the 2018-19 academic year, we provided 4 places to means tested candidates with genuine needs. These candidates receive an average discount, currently of 51%, (ranging from 25% to 85%). To underline the value, we place on continuity for families, we also offer discounts where parents have more than one child at the School. During the 2018-19 academic year a total of 104 children benefited from sibling fee remission.

The school is also developing its links with the local community and is keen to make its extensive facilities available to it. The school's facilities, both indoor and outdoor, are made available during school holidays (free of charge) to independent organisations running holiday clubs for local children. A local community soccer club uses the School's sports facilities one evening per week for which the School makes no charge. The school has formed a partnership with the local Church of St James the Less to provide, at the school's expense, maintenance and upkeep of the churchyard gardens and children's play area. The school enjoys the use of these facilities at certain times during term time and the improved facilities are then available to the wider church community at all other times.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The school is a member of the Independent Schools' Association and of the Independent Association of Prep Schools. This has many advantages. We have access to relevant good quality professional development for our staff; we are inspected by the Independent Schools' Inspectorate. We are part of the Independent Schools' marketing strategy. Probably most significantly for the pupils they are able to take part in art, music and sporting activities with our fellow member schools. We aspire to remain professional, but without losing our very special ethos and family atmosphere.

In May 2017 the school was inspected by the Independent Schools' Inspectorate (ISI) for compliance with the Independent Schools Standards Regulations, paying particular attention to Safeguarding and Health & Safety. The inspection found that Gatehouse School is fully compliant with all regulations and there were no follow up action points. The previous 2011 inspection of educational quality at Gatehouse School by ISI awarded the school the highest level of judgement, either "outstanding" or "excellent" in all respects. The School has comprehensive systems in place for assessment and monitoring of pupils to ensure that standards are maintained. This process measures pupils against a national database for benchmarking and also identifies the progress made by individual pupils. The school commissioned a "mock inspection" of educational quality in February 2017 which was carried out by ISI's consultancy service to evaluate the effectiveness of the teaching and learning within the school. The findings of the consultancy team were positive about the quality of education provided at the School.

The performance of the school is endorsed by the range of schools to which our pupils gain admission in Year 7. This is a significant achievement for a school which is wholly non-selective.

The school operates close to its maximum capacity, which up until July 2017 was 384 pupils, but was unable to offer places, due to lack of space, to all of the children whose parents wished to register them to attend. Following completion of an extensive building extension project in 2017-18 the School has been able to expand its intake since September 2017 from two to three form entry (with four slightly smaller classes in the Nursery) and capacity will gradually increase over a number of years to 528. At the same time, class sizes will be reduced from the current maximum of 24 pupils down to 22 pupils. The additional places will be filled from the existing waiting lists and recruiting from within the local community. For the year September 2018 to August 2019 the school's maximum capacity was 456.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Development of Facilities

During 2016 the school embarked upon a major building development plan to extend the existing premises upwards to create additional facilities and classrooms. This included a new commercial kitchen to be able to provide cooked lunches on a daily basis for pupils since September 2016. In October 2017 a new multi-purpose Performance Hall was completed which is used on a daily basis for assemblies, presentations, drama and music productions as well as having the flexibility to also be used as an additional space for PE lessons.

The second phase of the project commenced in April 2017. This included the provision of 15 brand new classrooms, complete rebuild of three other classrooms and significant alterations of New House to accommodate a brand new space for our Nursery children. Most of this work, all but 6 of the new classrooms, was completed by the end of August 2017 in time for the new academic year. The remaining 6 classrooms were completed in October 2017 and external works were completed early in April 2018. As part of the building programme PV and Solar panels were installed on the roof and lighting within the school is now almost all LED fittings. As well as the obvious ongoing cost savings as a result of this investment the pupils are undertaking an "Eco-School" project and learning about the benefits of the measures we have implemented as well as looking at other ways the School can play its part in protecting our environment.

The school has financed the cost of this extensive building project from its own cash reserves and also through a loan from Lloyds Bank. Analysis of extensive long term financial projections was undertaken by the Board and also by Lloyds Bank to verify the affordability of the borrowing commitment. Although the loan is over a period of 10 years the Board anticipates being able to make early capital repayments enabling the balance to be paid off significantly earlier than the 10 year duration. We currently anticipate that we will have paid off the loan by December 2022. As security for the loan Lloyds Bank PLC has taken a first charge over the leasehold premises occupied by Gatehouse School. The Board is proud of the fact that the cost of servicing the loan repayments will be self financing by the additional places created at the school as a result of expansion.

The school over the next 5 years will be investing in re-developing the school playground. This will provide new and exciting play equipment to stimulate the pupils physically and mentally. We will also provide a quiet area for children that need time out from the hustle and bustle of school life, and expand our existing outdoor sports facilities. We are investing in a new IT suite which will be available from Easter 2020. The school will continue its rolling maintenance programme with other areas of the school being updated throughout 2019/21.

Pay and Remuneration

The Board is aware that the School needs to ensure that salaries reflect the market trends in Independent Schools situated in London. This is vital to ensure that we employ high quality staff with appropriate experience. The salaries of the Head, the Deputy Head and the Bursar are determined by the Board using the AGBIS (Association of Governing Bodies in Independent Schools) annual salary survey results for benchmarking. Teaching staff salaries are based upon national teaching pay scales with an appropriate additional payment on top to reflect the high standards of teaching sought at Gatehouse School. The School also has a pay scale for Teaching Assistants and salaries for support staff are determined according to the role and experience of the individual. The Head and the Bursar make a recommendation to the Board each year for any pay award that they wish to apply in the following academic year and this is considered at the Spring Term meeting of the Board as part of the overall budget deliberations.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Achievements and performance *(continued)*

Risk Management

Day to day management of risk is delegated, by the Governors, to the Head and Bursar. The Head and Bursar attend regular conferences and other training events to ensure they are up to date with specific regulatory compliance issues. A particular focus is applied to Safeguarding and Health & Safety. The Head and Bursar regularly report to the Governors who have overall responsibility of risk management strategies. The Bursar is a Compliance Team Inspector for the Independent Schools' Inspectorate.

The Bursar maintains a Risk Register which covers all the routine regulatory and Health & Safety tasks which are required. This is regularly updated to record the dates that various processes have been completed or are next due.

The school continues to maintain long waiting lists for pupils whose parents wish to register them to attend the school. Places for three year olds to start at the school in future years up to September 2022 had already been filled well before the year end and it is anticipated that all places for the September 2023 intake will be allocated by early 2020. Extensive waiting lists for each entry year group exist. The expansion of the buildings and facilities has enabled the school to accept a further 18 18 children into each entry year cohort since September 2017. There has been little variation in demand for places in recent years and, if anything, demand appears to be increasing. The Governors do not therefore consider that there is any immediate risk of a sudden drop in available school places being filled, which would affect income, but market trends, both local and national, are monitored.

The School's policy, dictated by the Governors, is to place cash reserves on deposit with a recognised bank. The international credit rating of the banks used is monitored by the Finance Sub-Committee. The school does not make use of stock market linked investments. This is an extremely low risk policy.

Financial review

The school is funded almost entirely by its income from fees; we have made a much needed surplus for the last nine years. There has been a strong management team throughout for the last nine years and we have reached our target surplus again this year. The budget is tightly controlled and the fee income is closely monitored to prevent fee payers from defaulting. It is confidently expected that the current financial year will yield a comparable surplus.

Reserve policy

Our aim is to maintain minimum cash reserves equivalent to 4 months salaries, currently approximately £1,000,000. However, the recent building development investment has required us to borrow funds from the bank since the 2016-17 financial year. In view of this the Board has resolved to amend the Reserves Policy reducing the amount to be held, at each year end, to an amount of £300,000 for a period of 5 years, up to 2022, after which the policy will revert to its former status.

Plans for future periods

From September 2018 there has been capacity for up to 66 pupils in Reception, Year 1 and Year 2 (each with three forms of 22 pupils). Thereafter the number of pupils in each subsequent year group will increase to the same level year on year until September 2022 when the school will reach its full capacity of 528 pupils with capacity for 66 pupils in every year group.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2019

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare Report and Financial Statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these Report and Financial Statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Report and Financial Statements;
- prepare the Report and 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Report and Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 16th March 2020 and signed on behalf of the board of trustees by:



I Duncan
Trustee

The Gatehouse Educational Trust Limited**Company Limited by Shares****Independent Auditor's Report to the Members of The Gatehouse Educational Trust Limited****Year ended 31 August 2019**

Opinion

We have audited the Report and Financial Statements of The Gatehouse Educational Trust Limited (the 'charity') for the year ended 31 August 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Report and Financial Statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of 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 report and financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the Report and 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 Report and Financial Statements is not appropriate; or
- the trustees have not disclosed in the Report and Financial Statements any identified material uncertainties that may cast significant doubt about the charity'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 Report and Financial Statements are authorised for issue.

The Gatehouse Educational Trust Limited**Company Limited by Shares****Independent Auditor's Report to the Members of The Gatehouse Educational Trust Limited** *(continued)***Year ended 31 August 2019**

Other information

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

In connection with our audit of the Report and Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Report and 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 Report and 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' report for the financial year for which the Report and Financial Statements are prepared is consistent with the Report and Financial Statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Report and 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.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Independent Auditor's Report to the Members of The Gatehouse Educational Trust Limited *(continued)*

Year ended 31 August 2019

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Report and 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 Report and Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Report and Financial Statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the report and financial statements

Our objectives are to obtain reasonable assurance about whether the Report and 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 Report and Financial Statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Report and Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Report and Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Report and Financial Statements, including the disclosures, and whether the Report and Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Independent Auditor's Report to the Members of The Gatehouse Educational Trust Limited *(continued)*

Year ended 31 August 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



16.3.2020

Lee Anne Sessions FCA (Senior Statutory Auditor)

For and on behalf of
Quay Business Advice Limited
Chartered accountants & statutory auditors

1 Town Quay Wharf
Abbey Road
Barking
Essex IG11 7BZ

The Gatehouse Educational Trust Limited

Company Limited by Shares

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2019

		2019	2018
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	4	—	11,000
Charitable activities	5	5,665,386	5,086,093
Other trading activities	6	2,184	2,949
Investment income	7	8,713	2,086
Total income		<u>5,676,283</u>	<u>5,102,128</u>
Expenditure			
Expenditure on charitable activities	8	(4,830,596)	(4,535,777)
Total expenditure		<u>(4,830,596)</u>	<u>(4,535,777)</u>
Net income and net movement in funds		<u>845,687</u>	<u>566,351</u>
Reconciliation of funds			
Total funds brought forward		4,904,871	4,338,520
Total funds carried forward		<u>5,750,558</u>	<u>4,904,871</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Statement of Financial Position

31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	14	9,077,167	9,044,772
Current assets			
Debtors	15	162,191	124,409
Cash at bank and in hand		801,627	896,632
		<u>963,818</u>	<u>1,021,041</u>
Creditors: amounts falling due within one year	16	<u>(1,111,706)</u>	<u>(1,141,568)</u>
Net current liabilities		<u>(147,888)</u>	<u>(120,527)</u>
Total assets less current liabilities		8,929,279	8,924,245
Creditors: amounts falling due after more than one year	17	<u>(3,178,712)</u>	<u>(4,019,365)</u>
Net assets		<u>5,750,567</u>	<u>4,904,880</u>
Funds of the charity			
Share capital		9	9
Unrestricted funds		<u>5,750,558</u>	<u>4,904,871</u>
Total charity funds	19	<u>5,750,567</u>	<u>4,904,880</u>

These Report and Financial Statements were approved by the board of trustees and authorised for issue on 16th March 2020, and are signed on behalf of the board by:



I Duncan
Trustee

The Gatehouse Educational Trust Limited

Company Limited by Shares

Statement of Cash Flows

Year ended 31 August 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income	845,687	566,351
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	380,242	376,246
Other interest receivable and similar income	(8,713)	(2,086)
Interest payable and similar charges	130,140	112,931
<i>Changes in:</i>		
Trade and other debtors	(37,782)	(57,777)
Trade and other creditors	22,048	(706,385)
Cash generated from operations	1,331,622	289,280
Interest payable and similar charges	(130,140)	(112,931)
Interest received	8,713	2,086
Net cash from operating activities	<u>1,210,195</u>	<u>178,435</u>
Cash flows from investing activities		
Purchase of tangible assets	(412,637)	(2,295,121)
Net cash used in investing activities	<u>(412,637)</u>	<u>(2,295,121)</u>
Cash flows from financing activities		
Proceeds from borrowings	(892,563)	2,558,541
Net cash (used in)/from financing activities	<u>(892,563)</u>	<u>2,558,541</u>
Net (decrease)/increase in cash and cash equivalents	(95,005)	441,855
Cash and cash equivalents at beginning of year	896,632	454,777
Cash and cash equivalents at end of year	<u>801,627</u>	<u>896,632</u>

The notes on pages 18 to 25 form part of these Report and Financial Statements.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements

Year ended 31 August 2019

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Gatehouse School, Sewardstone Road, Victoria Park, London, E2 9JG.

2. Statement of compliance

These Report and Financial Statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The Report and Financial Statements have been prepared on the historical cost basis.

The Report and Financial Statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue in operation existence for the foreseeable future.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements under FRS102 requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no significant judgements made in the process of applying the entity's accounting policies.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The only material key estimation uncertainty was the calculation of depreciation and this isn't considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Details of the basis used are noted below.

Taxation

The Charity is considered to meet the definition of a charitable company for UK corporation tax purposes as set out in Paragraph 1 schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements *(continued)*

Year ended 31 August 2019

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements *(continued)*

Year ended 31 August 2019

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment and furniture	- 25% reducing balance
Improvements to property	- Over the term of the lease

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements *(continued)*

Year ended 31 August 2019

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Pension costs

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

The Charity operates a defined contribution pension scheme for its non teaching staff employees. The assets of the scheme are held separately from those of the company. The annual contributions payable to both schemes are charged to the statement of financial activities as they become payable.

4. Donations and legacies

	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Donations		
Donations	-	11,000

5. Charitable activities

	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Fees income	5,243,122	4,700,774
After school club, activities and music	255,017	229,775
Prompt payment discounts net of admin fees charged	(21,550)	(20,245)
Transport	159,825	139,146
Registration fees	27,150	34,575
Other income	1,822	2,068
	<u>5,665,386</u>	<u>5,086,093</u>

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements *(continued)*

Year ended 31 August 2019

6. Other trading activities

	Unrestricted Funds 2019	Unrestricted Funds 2018
	£	£
Rental income	<u>2,184</u>	<u>2,949</u>

7. Investment income

	Unrestricted Funds 2019	Unrestricted Funds 2018
	£	£
Bank interest receivable	<u>8,713</u>	<u>2,086</u>

8. Analysis of expenditure on charitable activities

	2019 £	2018 £
School operation costs		
Staff costs	3,215,212	2,995,000
Teaching	336,383	267,392
Catering costs	281,739	269,414
Premises costs	339,548	356,017
Transport expenses	76,677	69,652
Depreciation	380,242	376,246
Support and governance costs	200,795	202,056
	<u>4,830,596</u>	<u>4,535,777</u>

Expenditure on charitable activities was £4,830,596 (2018 - £4,535,777) all of which was unrestricted.

9. Support and governance costs

	Total 2019 £	Total 2018 £
Governance costs		
Audit fees	9,390	9,180
Accountancy fees	8,400	7,920
	<u>17,790</u>	<u>17,100</u>

All support costs that have not been identified as governance costs are 100% allocated to the only charitable activity.

10. Net income

Net income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	380,242	376,246
Operating lease rentals	<u>18,213</u>	<u>15,626</u>

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements *(continued)*

Year ended 31 August 2019

11. Auditors remuneration

	2019	2018
	£	£
Fees payable for the audit of the report and financial statements	<u>9,390</u>	<u>9,180</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019	2018
	£	£
Wages and salaries	2,681,219	2,478,709
Social security costs	256,435	245,329
Employer contributions to pension plans	<u>277,558</u>	<u>270,963</u>
	<u>3,215,212</u>	<u>2,995,001</u>

The average head count of employees during the year was 78 (2018: 70). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Number of teachers and support staff	73	65
Number of administrative staff	<u>5</u>	<u>5</u>
	<u>78</u>	<u>70</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2019	2018
	No.	No.
£60,000 to £69,999	7	8
£70,000 to £79,999	1	—
£80,000 to £89,999	1	—
£90,000 to £99,999	1	1
£120,000 to £129,999	<u>—</u>	<u>1</u>
	<u>10</u>	<u>10</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £255,251 (2018:£281,783).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees

One or more trustees has claimed expenses or had their expenses met by the charity.

The total amount of expenses reimbursed to one/two trustees to cover travelling costs was £81 (2018 - £833).

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements *(continued)*

Year ended 31 August 2019

14. Tangible fixed assets

	Equipment £	Improvements to property £	Total £
Cost			
At 1 September 2018	791,510	9,902,155	10,693,665
Additions	64,607	348,030	412,637
At 31 August 2019	856,117	10,250,185	11,106,302
Depreciation			
At 1 September 2018	510,921	1,137,972	1,648,893
Charge for the year	86,299	293,943	380,242
At 31 August 2019	597,220	1,431,915	2,029,135
Carrying amount			
At 31 August 2019	258,897	8,818,270	9,077,167
At 31 August 2018	280,589	8,764,183	9,044,772

15. Debtors

	2019 £	2018 £
Trade debtors	72,024	46,170
Prepayments and accrued income	87,214	75,239
Other debtors	2,953	3,000
	162,191	124,409

16. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	463,862	515,772
Trade creditors	78,327	56,349
Accruals and deferred income	456,892	461,422
Other creditors	112,625	108,025
	1,111,706	1,141,568

17. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	3,178,712	4,019,365

Included within creditors: amounts falling due after more than one year is an amount of £1,323,265 (2018: £1,956,277) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The Gatehouse Educational Trust Limited

Company Limited by Shares

Notes to the Report and Financial Statements *(continued)*

Year ended 31 August 2019

18. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £277,558 (2018: £270,963).

19. Analysis of charitable funds

Unrestricted funds

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
General funds	<u>4,904,873</u>	<u>5,676,283</u>	<u>(4,830,596)</u>	<u>5,750,560</u>

20. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Tangible fixed assets	9,077,167	9,077,167	9,044,772
Current assets	963,818	963,818	1,021,041
Creditors less than 1 year	(1,111,706)	(1,111,706)	(1,141,568)
Creditors greater than 1 year	(3,178,712)	(3,178,712)	(4,019,365)
Net assets	<u>5,750,567</u>	<u>5,750,567</u>	<u>4,904,880</u>

21. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	19,662	7,718
Later than 1 year and not later than 5 years	475,936	326,628
	<u>495,598</u>	<u>334,346</u>