

# CITY GATEWAY LIMITED

England & Wales · Charity number 1078360

## Details

|                |                                                         |
|----------------|---------------------------------------------------------|
| Other names    | CITY GATEWAY                                            |
| Status         | Registered                                              |
| Legal form     | Charitable company                                      |
| Company number | <a href="#">03760619</a>                                |
| Registered     | 1999-11-25                                              |
| Register       | <a href="#">View on the Charity Commission register</a> |

## Contact

|         |                                                                     |
|---------|---------------------------------------------------------------------|
| Address | Menzies Llp<br>4th Floor<br>95 Gresham Street<br>London<br>EC2V 7AB |
| Phone   | 03309 129453                                                        |
| Email   | <a href="mailto:OLO@MENZIES.CO.UK">OLO@MENZIES.CO.UK</a>            |
| Website | <a href="http://WWW.MENZIES.CO.UK">WWW.MENZIES.CO.UK</a>            |

## Activities

**Objects:** TO DEMONSTRATE THE CONSISTENT CONCERN OF JESUS CHRIST FOR THE POOR AND SOCIALLY EXCLUDED ACROSS LONDON AND PRINCIPALLY EAST LONDON BY IMPROVING THE EMPLOYMENT PROSPECTS IN THE AREA, THROUGH PROVIDING TRAINING IN INFORMATION TECHNOLOGY AND OTHER DISCIPLINES, BY PROVIDING MENTORS FROM THE CITY FOR THE TRAINEES, BY BUILDING LINKS BETWEEN THE CITY OF LONDON AND THE COMMUNITY ALLOWING THE CITY INSTITUTIONS TO CONTRIBUTE TO THE FURTHERANCE OF THE AREA'S EDUCATION AND EMPLOYMENT, BY PROVIDING AN AGENCY WHICH WILL DELIVER INDIVIDUALS INTO JOBS, BY PROVIDING A CARING AND ENCOURAGING ENVIRONMENT TO DEVELOP SKILLS, BY WORKING WITH OTHER LOCAL ORGANISATIONS WHICH PURSUE SIMILAR AIMS.

**Activities:** At City Gateway, we imagine a society where everyone reaches their full potential; where the future is not defined by the past or determined by the place a person starts. We offer 1-2-1 support, training courses, Traineeships and Apprenticeships for disadvantaged young people, and give young people vital experience, much needed confidence and essential skills to ready them for the workplace.

## Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Economic/community Development/employment
- **Who:** Children/young People, The General Public/mankind

## Geography

- **Area of benefit:** LONDON BOROUGH OF TOWER HAMLETS
- Throughout London

## Finances

| Period end | Income     | Expenditure | Assets   | Employees |
|------------|------------|-------------|----------|-----------|
| 2024-08-31 | -          | -           | -        | -         |
| 2023-08-31 | £1,416,059 | £1,397,596  | £171,773 | 23        |
| 2022-08-31 | £1,658,817 | £1,629,444  | £147,194 | 26        |
| 2021-08-31 | £1,597,951 | £1,586,730  | £117,821 | 30        |
| 2020-08-31 | £1,714,378 | £1,706,103  | £106,600 | 32        |
| 2019-08-31 | £2,534,213 | £2,812,090  | £98,325  | 63        |

## Trustees

| Name                | Role  | Appointed  |
|---------------------|-------|------------|
| Mark Huxley         | Chair | 2024-07-17 |
| Adam Pizzey         |       | 2020-04-30 |
| Barri Disu          |       | 2023-05-18 |
| Florence Ponle      |       | 2023-10-26 |
| Marva de la Coudray |       | 2023-10-26 |
| Rafaela Amusu       |       | 2023-05-18 |

**CITY GATEWAY LIMITED**

England & Wales - Charity number 1078360

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# Accounts

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REGISTERED COMPANY NUMBER: 03760619 (England and Wales)

REGISTERED CHARITY NUMBER: 1078360



**REPORT OF THE TRUSTEES AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023  
FOR  
CITY GATEWAY**

Imagine a society where  
everyone reaches their  
full potential.

Where the future is not  
defined by the past or  
determined by the place a  
person starts.

## **City Gateway**

### **Contents of the financial statements for the year ended 31 August 2023**

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## **City Gateway**

### **Contents of the financial statements for the year ended 31 August 2023**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**Registered Company number** 03760619 (England and Wales)

**Registered Charity number** 1078360

**Registered Office** The Pavilion Import Building, 2 Clove Crescent, London, E14 2BE

## **TRUSTEES**

Adam Pizzey – Chair (from 20 March 2024)  
Kenny Imafidon - Chair (resigned 20 March 2024)  
Clive Mills  
Barri Disu (Appointed 18 May 2023)  
Rafaela Amusu (Appointed 18 May 2023)  
Marva Orianwo (Appointed 20 July 2023)  
Florence Ponle (Appointed 17 January 2024)  
Kate Vintiner (Resigned 26 October 2023)  
Yvonne Bajela (Resigned 20 March 2024)  
Uchechi Okereke (Resigned 26 October 2023)  
David Wesson (Resigned 20 March 2024)

## **CHIEF EXECUTIVE**

Diane Betts

## **AUDITOR**

Forvis Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton SM1 4FS

## **BANK**

National Westminster Bank, PO Box 282, 216 Bishopsgate, London, EC2M 4QB

## **City Gateway**

### **Report of the Trustees for the year ended 31 August 2023**

#### **WHY WE DO WHAT WE DO?**

"I pinch myself when I look out the office window at the bustling streets of London below, it feels a world away from Nigeria where I was born and lived until I was six. I'm incredibly proud to say I'm a Business Administration apprentice working at Man Group in the communications team. As I come towards the end of my apprenticeship, I feel excited and optimistic for the future.

But it wasn't always that way. While I was determined to run away from my little community to a faster paced world, I had my parents voice in my ear telling me of the inequalities that black people, and youth like me, can face. I couldn't help but question whether I would be considered because I'm black, knowing there's a small representation of people like me succeeding.

I think this sparked my anxiety, feeling I would fail before even trying due to unconscious bias. I feared I would be alienated from a great career pathway because of who I am. It could easily have prevented me from pushing myself to the highest level and believing in my abilities.

But, thanks to City Gateway and the opportunity to work at Man Group, I am living out my dreams. And the best part is that City Gateway gives these opportunities equally to all students, there is no favouritism, everyone is encouraged to apply for all vacancies available.

With so many barriers facing young people today, I feared that the colour of my skin could be another barrier, but I am so proud that, with support from City Gateway and thanks to my own determination, I have achieved what I have so far, and that's just the start of my journey.

There are many other young people like me at City Gateway, from all ethnicities, cultures and genders and they have all faced different challenges to get to where they are today, which for some is not in the best place. They may be experiencing homelessness or struggling with drug or alcohol use, they may have a range of past traumas and experiences they are carrying with them. But they are brave and have taken that first step of reaching out to City Gateway. Together we are breaking down barriers that stand in our way, brushing aside stereotypes and changing our futures."

This is the story of Dunsin, who is just one of the 285 young people we supported during 2022-23. And, as she says, her story is not unique. The young people we support, from communities impacted by social and economic disadvantage, face barriers in their everyday lives. Whether that's because of their ethnicity, culture or gender or because of the ongoing impact of the cost-of-living crisis. For many it's hard to believe in a positive future, but that's where City Gateway step in. Not only do we give them the qualifications, skills and experience they need, but we also open doors to opportunities they may never have dreamt possible. And our unique support is encompassed with dedicated coaching and mentoring support, ensuring they are equipped and supported to navigate the challenges they continue to face with a guiding hand and listening ear, never judging and always providing personalised support.

## **City Gateway**

### **Report of the Trustees for the year ended 31 August 2023**

#### **WHAT WE DO**

City Gateway is a charity formed in 1999 by a group of City professionals who were concerned about unemployment in their local community.

We believe in empowering people to change their own future.

And by standing with them and supporting them to achieve those ambitions, that future can be as optimistic as they dare imagine. In Tower Hamlets today, over half of all children will wake up in poverty. Many families don't know where to turn and job opportunities for young people can be hard to access.

Possibilities are on the doorstep – literally. The affluence of Canary Wharf sits side by side with Tower Hamlets in East London, where we're based. Yet without help unlocking that potential, few will benefit.

This is where we step in, seeing potential – even well-hidden potential – working in some of London's communities most impacted by social and economic inequality. Our motivation and deeply held conviction is that by standing with people, providing practical input as they navigate sometimes huge obstacles, enables them to rewrite their story.

We provide support services, training courses, Traineeships and Apprenticeships for young people, readying them for the workplace. Through our network of placements with world-leading employers, we provide opportunities that give young people vital experience, much needed confidence, and essential skills.

Last year we supported 285 young people on our Traineeship programme. We had an English achievement rate of 77% and a maths achievement rate of 84%. We had a 93% retention rate and 82% of learners went on to a positive destination. Of all learners on a traineeship 25% had learning difficulties or health problems.

The charity continues to deliver education, training and coaching programmes for students and pathways into sustainable employment with our partner employers. We are a gateway for our students to achieve their full potential.

#### **ETHOS AND VALUES**

At City Gateway, we believe everyone is made equal and in the image of God. We strive to follow the example of Jesus, in loving and helping those excluded and in need in society. We celebrate diversity. We treat everyone with respect and honesty. We are ambitious. We seek excellence in all we do. And we are optimistic for the future.

## **City Gateway**

### **Report of the Trustees for the year ended 31 August 2023**

#### **THE NEED**

London's youth unemployment rate stands at 16.4% (Trust for London, June 2023). Excluding the effect of the COVID-19 pandemic in 2021, this is the highest rate since 2016 - more than three times higher than the UK national unemployment rate for all ages, which is 4.3% (Office of National Statistics, July 2023). The capital's youth unemployment rate currently stands at 13.5% which is more than three times higher than the UK national unemployment rate for all ages of 3.7% (Office for National Statistics).

What we do works. But the reality is, young people from communities experiencing racial and economic inequality are further disadvantaged with many of the young people coming to City Gateway typically having only achieved qualification levels equivalent to key stage 2 (the expected level for children aged between 7 and 11). This is three levels lower than where they should be. They also have at least one further risk factor, such as coming from under-served communities, caring responsibilities, or health issues. This past year we have seen even greater demand for our services with 23% more young people coming through our programme.

We are expertly equipped to meet all these challenges.

- We know how to deliver maths and English qualifications effectively – we achieved a 77% pass rate in English and 84% pass rate in maths.
- We have a unique wrap-around coaching programme that supports a young person not just with their career progression but also pastorally helping 82% of our young people into a positive destination (securing an apprenticeship, job or further education.)
- We are taking our expert knowledge and experience delivering Business Administration Apprenticeships and introducing IT apprenticeships to help ensure this sector has a workforce to sustain it into the future.
- With the cessation of Traineeships, we are moving to Study Programme delivery in 2023-24. We are already delivering the essentials of the Study Programme and are perfectly placed to adapt to this delivery. This shift will however focus on 16-18 young people only, though with demand from this age group already on the rise, we anticipate a 63% increase in demand for our services from this age group in 2023-24.

#### **HOW WE DO WHAT WE DO**

Young people have been caught in a perfect storm. To get a sustainable job they need the right experience and skills. Work placements and apprenticeships provide this, but almost 80 per cent of entry-level apprenticeships and work placements were cut or paused due to Covid. As the job market opened up, there has been increased competition for entry level roles with two years' worth of school leavers and graduates looking. Combined with older workers returning to the labour market, the impact is pushed further down the chain. This affects those most who have the least experience, however talented they may be.

## City Gateway

### Report of the Trustees for the year ended 31 August 2023

## OUR IMPACT

Our achievement rate into a positive destination last year was 82%. Of those young people, 67% went on to paid employment with new employers. 17% of our young people progressed on to an apprenticeship with new apprenticeship employers. 75% of our apprenticeships achieved with distinction. 15% of our young people went on to Further Education or training with our referral partners.

## OUR PARTNERS

City Gateway's impact is only possible in collaboration with the future-thinking, generous organisations who partner with us. These organisations work with us to volunteer, fund our programmes, and provide work placements and Apprenticeship opportunities in their teams for our aspirational, job-ready learners.

Each of our partners has made a significant contribution to changing lives in London in 2022-23 and we are truly grateful to all of them.

Below are just some of the partners that make our work possible:



If you would like to partner with us, please contact [partnership@citygateway.org.uk](mailto:partnership@citygateway.org.uk) for more information.

## **City Gateway**

### **Report of the Trustees for the year ended 31 August 2023**

#### **BOARD GOVERNANCE**

City Gateway is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28 April 1999, as amended in April 2022. It is registered as a charity with the Charity Commission.

City Gateway has always and will continue to take its responsibilities of ensuring that its charitable activities contribute significantly to the lives of those we work with and specifically within the local areas in which those activities are undertaken. With reference to Charities Act 2011, all our charitable activities are directed towards having a lifelong impact on London and these activities are undertaken to further our charitable purposes for the public benefit.

Trustees are appointed on the basis of their skills and experience as well as their passion to further City Gateway's vision, mission and ethos. A mix of different skills and backgrounds is sought on the Board and for Board Working Groups.

All Trustees give their time voluntarily and receive no private benefit from the charity. The term of office for a Trustee is 3 years, extendable by invitation of the Chair for a further 2 years. Any extensions beyond five years can only be made under exceptional circumstances and requires the agreement of the whole board.

Newly appointed Trustees are briefed on their responsibilities and legal obligations under both charity and company law, the Memorandum and Articles of Association, the current Strategic Business Plan and given an overview of the recent financial performance. Each Trustee is given a particular role on a Board Working Group and is expected to attend all Trustee meetings. Trustees attend mandatory training and are encouraged to attend appropriate external training, where this facilitates the undertaking of their role.

Trustees are responsible for setting general policy, finalising and approving the annual plan and budget, monitoring the charity and taking major decisions about the strategic direction of the charity and capital expenditure. Trustees appoint the Chief Executive Officer ("CEO") to manage and lead the charity and agree a level of delegated authority. The CEO is accountable to the board of Trustees through the Chair who has regular meetings with the CEO. The CEO is responsible for ensuring that the charity delivers its mission and that key performance metrics of operational delivery are met. The remuneration of the CEO is approved annually by the Trustees.

#### **TEAM**

City Gateway has an outstanding staff team of 23 led by Diane Betts.

We invite employers to help us change society for the better by stepping up with job or apprenticeship opportunities for the upskilled young people and the future workforce.

We know there is an incredible pool of hidden talent in these young people. Whilst our coaching model achieves positive outcomes for those on our programme, young people need support. It is our joint responsibility to improve individual life chances and unlock potential.

All our team have a passion for our students and achieving lasting transformational impact in their lives. They are just as passionate about serving our partners with excellence and for our culture of continuous improvement.

## **City Gateway**

### **Report of the Trustees for the year ended 31 August 2023**

#### **FUTURE IMPACT PLAN FOR THE COMING YEARS**

The Trustees plan, in the future, to build on our mission and grow our impact to transform the life chances of Young People in London communities most impacted by social and economic inequality.

We continue to work with employers to help shape a programme of delivery that moulds young people into the workforce of the future and provides Apprenticeship opportunities and outcomes to increase our financial sustainability.

We want to continue to improve progression into full-time education or employment outcomes for all our students. We especially want to support our students into Apprenticeships, which uniquely allow us to continue to support, coach and train them whilst they complete their first 12/18 month's employment.

#### **FINANCIAL REVIEW 2022/23**

The accounts contained in this report are presented in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)" - (Charities SORP (FRS 102)) and with relevant companies and charities legislation and regulations.

The Trustees report a year of overcoming challenges in 2022-23.

City Gateway's gross income from all sources, how this income was expended and the split of financial activity between restricted and unrestricted funds is shown in detail in the following pages. Annual income was £1.4m (2021-22: £1.7m). Our annual surplus in the year was £18k (2021-22 surplus of £23k). This surplus is a direct result of continuing our investment in building expertise in the future strategic direction.

#### **RESERVES**

City Gateway is committed to using its resources in pursuit of its charitable activities. It is also committed to maintaining a level of reserves that is prudent to meet its on-going liabilities, sufficient to ensure that all service delivery commitments can be met and to protect the long-term sustainable future of operations. This commitment is in line with the Operational guidance No 43 (Charity Income Reserves) issued by the Charity Commission which seeks to guarantee financial security and ensure a sufficient level of reserves.

Free reserves cover has increased slightly in the year to £162k which corresponds to 1.4 month at year end (2021-22: 1 month). We report a cash position at year end of £384k. This equates to 3 months cover (2021-22: 2 months cover).

Our reserves policy is to aim to maintain sufficient cash reserves to cover at least 3 months future expenditure. This policy is regularly reviewed to ensure that it continues to be appropriate and sufficient.

## **City Gateway**

### **Report of the Trustees for the year ended 31 August 2023**

#### **RISK MANAGEMENT**

We continue to assess, review, monitor and plan for all risks which the organisation may face, now or in the future. Our risk management strategy comprises a risk register of all aspects of the organisation and its activities, outlining possible risks which may occur, procedures to mitigate the risks identified and regular re assessments both of the risks already outlined on the register and of potential new risks. This process raises awareness of risk and assists with the development of robust contingency plans.

#### **KEY RISKS**

There has been a change to the funding landscape with the cessation of Traineeships at the end of 2022-23 and therefore we have carefully planned our smooth transition to Study Programme funding which is available to 16-18 year old young people only.

We will subcontract from other providers in 2023-24 to provide Study Programme delivery. There has also been a focus on renewing existing partners as trends in Corporate Giving is to remain with the existing portfolio. We are also continuing to build new strategic partnerships, to assist us in future delivery. We encourage each partner to contribute in three keyways; by supporting us financially, by engaging in mutually beneficial staff volunteering opportunities; and by providing our young people with work-placements/experiences, apprenticeships and full-time employment opportunities. We are also creating a Fundraising Committee, which will draw on the ideas and contacts of our trustees, and external fundraising experts, to further develop our strategy and maximise our effectiveness at networking.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of City Gateway for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 income and expenditure of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, and to 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.

## City Gateway

### Report of the Trustees for the year ended 31 August 2023

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditor is aware of that information.

#### ON BEHALF OF THE BOARD



TRUSTEE ADAM PIZZHEY

DATE 15/5/2024

# **Independent auditor's report to the members of City Gateway**

## **Opinion**

We have audited the financial statements of City Gateway (the 'charity') for the year ended 31 August 2023 which comprises the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 state of the charity's affairs as 31 August 2023 and of the 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 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 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 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 charity'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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

## **City Gateway**

### **Independent Auditor's Report for the year ended 31 August 2023**

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

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

In light of the knowledge and understanding of the charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report which includes the Directors' 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 by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees 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 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.

## **City Gateway**

### **Independent Auditor's Report for the year ended 31 August 2023**

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and their sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation and health and safety regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the parent charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and Charities Act 2011.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

## **City Gateway**

### **Independent Auditor's Report for the year ended 31 August 2023**

- Making enquiries of the trustee and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

#### **Use of the audit 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.

  
Nicola Wakefield (Jun 24, 2024 12:20 GMT+1)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor

6 Sutton Plaza  
Sutton Court Road  
Sutton  
SM1 4FS

Date: 14-Jun-2024

**City Gateway**  
**Statement of Financial Activities for the year ended 31 August 2023**

|                                                                                  |             | <b>General<br/>Funds</b> | <b>Restricted<br/>funds</b> | <b>Year ended<br/>31 August<br/>2023 Total<br/>Funds</b> | <b>Year<br/>ended 31<br/>August<br/>2022 Total<br/>Funds</b> |
|----------------------------------------------------------------------------------|-------------|--------------------------|-----------------------------|----------------------------------------------------------|--------------------------------------------------------------|
|                                                                                  | <b>Note</b> | <b>£</b>                 | <b>£</b>                    | <b>£</b>                                                 | <b>£</b>                                                     |
| <b>Income</b>                                                                    |             |                          |                             |                                                          |                                                              |
| Donations and legacies                                                           | 2           | 256,666                  | 191,702                     | 448,368                                                  | 460,026                                                      |
| Income from investments                                                          |             | 3,696                    | -                           | 3,696                                                    | 188                                                          |
| Income from charitable activities                                                | 3           | 909,867                  | 54,128                      | 963,995                                                  | 1,192,123                                                    |
| <b>Total Income</b>                                                              |             | <b>1,170,229</b>         | <b>245,830</b>              | <b>1,416,059</b>                                         | <b>1,652,337</b>                                             |
| <b>Expenditure</b>                                                               |             |                          |                             |                                                          |                                                              |
| Charitable Activities                                                            | 4           | 1,161,766                | 235,830                     | 1,397,596                                                | 1,629,575                                                    |
| <b>Total expenditure</b>                                                         |             | <b>1,161,766</b>         | <b>235,830</b>              | <b>1,397,596</b>                                         | <b>1,629,282</b>                                             |
| <b>NET INCOMING / (OUTGOING)<br/>RESOURCES BEFORE<br/>TRANSFERS</b>              |             | <b>8,463</b>             | <b>10,000</b>               | <b>18,463</b>                                            | <b>22,762</b>                                                |
| <b>Transfers between funds</b>                                                   |             | <b>-</b>                 | <b>-</b>                    | <b>-</b>                                                 | <b>-</b>                                                     |
| <b>NET INCOMING / (OUTGOING)<br/>RESOURCES<br/>Other recognised gains/losses</b> |             | <b>8,463</b>             | <b>10,000</b>               | <b>18,463</b>                                            | <b>22,762</b>                                                |
| Gains/losses on investment<br>assets                                             |             | -                        | -                           | -                                                        | -                                                            |
| <b>Net movement in funds</b>                                                     |             | <b>8,463</b>             | <b>10,000</b>               | <b>18,463</b>                                            | <b>22,762</b>                                                |
| <b>RECONCILIATION OF FUNDS</b>                                                   |             |                          |                             |                                                          |                                                              |
| <b>Total funds brought forward</b>                                               |             | <b>153,310</b>           | <b>-</b>                    | <b>153,310</b>                                           | <b>130,548</b>                                               |
| <b>TOTAL FUNDS CARRIED<br/>FORWARD</b>                                           |             | <b>161,773</b>           | <b>10,000</b>               | <b>171,773</b>                                           | <b>153,310</b>                                               |

All amounts relate to continuing activities and there are no other gains or losses other than as disclosed in the statement of financial activities.

**City Gateway**  
**Balance Sheet for the year ended 31 August 2023**

|                                              |      | <b>2023</b> | <b>2022</b> |
|----------------------------------------------|------|-------------|-------------|
|                                              | Note | £           | £           |
| <b>FIXED ASSETS</b>                          |      |             |             |
| Tangible assets                              | 8    | 102,242     | 153,758     |
| Intangible assets                            | 8    | 3,602       | 12,251      |
| Investments                                  | 9    | 621         | 621         |
| Investment in subsidiary                     | 9    | 100         | 100         |
|                                              |      | <hr/>       | <hr/>       |
|                                              |      | 106,566     | 166,730     |
| <b>CURRENT ASSETS</b>                        |      |             |             |
| Debtors: amounts falling due within one year | 10   | 313,342     | 375,445     |
| Cash at bank and in hand                     |      | 383,794     | 352,934     |
|                                              |      | <hr/>       | <hr/>       |
|                                              |      | 697,136     | 728,379     |
| <b>CREDITORS</b>                             |      |             |             |
| Amounts falling due within one year          | 11   | (239,862)   | (431,631)   |
|                                              |      | <hr/>       | <hr/>       |
| <b>NET CURRENT ASSETS</b>                    |      | 457,274     | 296,748     |
|                                              |      | <hr/>       | <hr/>       |
| <b>CREDITORS</b>                             |      |             |             |
| Amounts falling due after more than one year |      | (392,067)   | (310,168)   |
|                                              |      | <hr/>       | <hr/>       |
| <b>NET ASSETS</b>                            |      | 171,773     | 153,310     |
|                                              |      | <hr/>       | <hr/>       |
| <b>FUNDS</b>                                 |      |             |             |
| General Funds                                | 12   | 161,773     | 153,310     |
| Restricted funds                             | 13   | 10,000      | -           |
|                                              |      | <hr/>       | <hr/>       |
| <b>TOTAL FUNDS</b>                           |      | 171,773     | 153,310     |
|                                              |      | <hr/>       | <hr/>       |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and have been audited under the Companies Act 2006.

The financial statements were approved by the Board of Trustees on .....15/15/2024..... and were signed on its behalf by:

.....  
 ADAM PIZLEY  
 Trustee

**City Gateway**  
**Statement of Cash Flow for the year ended 31 August 2023**

|                                                             | 2023<br>£     | 2023<br>£       | 2022<br>£     | 2022<br>£        |
|-------------------------------------------------------------|---------------|-----------------|---------------|------------------|
| <b>Cash flows from operating activities:</b>                |               |                 |               |                  |
| <b>Net Surplus</b>                                          | <b>18,463</b> |                 | <b>22,762</b> |                  |
| Adjustments for:                                            |               |                 |               |                  |
| Depreciation                                                | 52,561        |                 | 48,907        |                  |
| Amortisation                                                | 8,699         |                 | 8,647         |                  |
| Interest income                                             | (3,696)       |                 | (188)         |                  |
| Interest expense                                            | 1,809         |                 | 4,961         |                  |
| Trade and other debtors                                     | 62,105        |                 | (213,834)     |                  |
| Trade and other creditors                                   | (72,630)      |                 | (46,643)      |                  |
| <b>Cash flows generated by/used in operating activities</b> |               | <b>67,311</b>   |               | <b>(175,388)</b> |
| Purchase of property plant and equipment                    | (1,098)       |                 | (25,420)      |                  |
| Interest received                                           | 3,696         |                 | 188           |                  |
| <b>Cash flows generated by/used in investing activities</b> |               | <b>2,598</b>    |               | <b>(25,232)</b>  |
| Interest paid                                               | (1,809)       |                 | (4,961)       |                  |
| Loans repaid in the year                                    | (37,240)      |                 | (81,472)      |                  |
| <b>Cash used by financial activities</b>                    |               | <b>(39,049)</b> |               | <b>(86,433)</b>  |
| <b>Net Increase/(decrease) in cash</b>                      |               | <b>30,860</b>   |               | <b>(287,053)</b> |
| <b>Cash balance at 1 September</b>                          |               | <b>352,934</b>  |               | <b>639,987</b>   |
| <b>Cash balance at 31 August</b>                            |               | <b>383,794</b>  |               | <b>352,934</b>   |

## **City Gateway**

### **Notes to the Financial Statements for the year ended 31 August 2023**

#### **ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

City Gateway meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity's subsidiary is not consolidated on the grounds of immateriality.

##### **Going Concern**

The trustees consider that it is appropriate for these financial statements to be prepared on the going concern basis given the level of assets and the forecast results for 2023/24.

The trustees have reviewed detailed cash flow projections to 31 May 2025. Both sources of income and types of expenditure have been reviewed including sensitivity analysis. The charity is teaching students in person and our current funding partners remain committed to supporting delivery of our mission in the medium to long term. The trustees have also considered the charity's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

##### **Income**

All income is included on the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income received in advance on contracts, performance related grants and grants for future periods is carried through to the Balance Sheet as deferred income and included in creditors. Where it is probable that income received will be claimed back, this amount is included in the SOFA as an income provision and is also included on the Balance Sheet as a creditor.

##### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources.

##### **Intangible Fixed Assets**

Software costs have been capitalised at historic cost and amortised on a straight line basis between 2 years and 5 years.

## **City Gateway**

### **Notes to the Financial Statements for the year ended 31 August 2023**

#### **Tangible fixed assets**

Depreciation is provided at rates calculated in order to write off each asset evenly over its estimated useful life. Individual items costing under £1,000 are written off on purchase. Estimated useful life of assets is as follows:

Leasehold properties - over the period of the lease

Fixtures and fittings - 1 to 5 years

Computer equipment - 3 years

Motor vehicles - 5 years

#### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

#### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are those unrestricted funds which the trustees have earmarked to be used for a particular purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### **Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

#### **Pension scheme**

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

| <b>2</b> | <b>VOLUNTARY INCOME</b>                              | <b>2023</b>    | <b>2022</b>      |
|----------|------------------------------------------------------|----------------|------------------|
|          |                                                      | <b>£</b>       | <b>£</b>         |
|          | Individual donations & Fundraising events            | 14,831         | 51,723           |
|          | Corporate donations                                  | 433,537        | 383,224          |
|          | Gifts in kind (see note 16)                          | -              | -                |
|          | Other                                                | -              | 25,079           |
|          |                                                      | <u>448,368</u> | <u>460,026</u>   |
| <b>3</b> | <b>INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b> |                |                  |
|          | Statutory income                                     | 675,820        | 904,363          |
|          | Other grants and contracts                           | 288,175        | 287,760          |
|          |                                                      | <u>963,995</u> | <u>1,192,123</u> |

Other grants and contracts includes £54,128 (2022: £282,881) of restricted income. All other balances in the current and prior year are unrestricted.

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

**4 CHARITABLE ACTIVITIES**

|                                              | Young<br>People's<br>Education,<br>Training<br>and<br>Progression<br>£ | Apprentic<br>eships<br>£ | 2023<br>£        | 2022<br>£        |
|----------------------------------------------|------------------------------------------------------------------------|--------------------------|------------------|------------------|
| Direct charitable activities                 | 570,025                                                                | 159,036                  | 729,061          | 890,362          |
| Support costs                                | 522,699                                                                | 145,836                  | 668,535          | 739,213          |
| <b>Total</b>                                 | <b>1,092,724</b>                                                       | <b>304,872</b>           | <b>1,397,596</b> | <b>1,629,575</b> |
| <b>Support costs broken down by activity</b> |                                                                        |                          |                  |                  |
| Senior management                            | 118,529                                                                | 33,070                   | 151,599          | 145,122          |
| Finance & Data management                    | 166,085                                                                | 46,337                   | 212,422          | 249,163          |
| Premises, Facilities & IT                    | 133,801                                                                | 37,330                   | 171,131          | 146,728          |
| HR & Staff development                       | 15,504                                                                 | 4,326                    | 19,830           | 38,377           |
| Marketing & Communication                    | 88,780                                                                 | 24,769                   | 113,549          | 159,823          |
| <b>Total support costs</b>                   | <b>522,699</b>                                                         | <b>145,832</b>           | <b>668,531</b>   | <b>739,213</b>   |

**5a GOVERNANCE COSTS (included in Support Costs above)**

|                        | 2023<br>£ | 2022<br>£ |
|------------------------|-----------|-----------|
| Auditors' remuneration | 18,600    | 13,200    |

**5b NET INCOME**

Net incoming resources are stated  
after charging:

|                                            | 2023<br>£ | 2022<br>£ |
|--------------------------------------------|-----------|-----------|
| Auditors' remuneration -audit fees         | 18,600    | 13,200    |
| Depreciation/amortisation- owned<br>assets | 61,260    | 57,553    |
| Other operating leases                     | 102,407   | 119,762   |

**City Gateway****Notes to the Financial Statements for the year ended 31 August 2023****6 TRUSTEES' REMUNERATION AND BENEFITS**

The Chair was not paid during the year ended 31 August 2023 (2022: £0). No other trustee received any remuneration during the current or prior years.

**Trustees' Expenses**

None of the trustees claimed the expenses for the year ended 31 August 2023 (2022: £0).

**7 STAFF COSTS**

|                    | <b>2023</b>    | <b>2022</b>      |
|--------------------|----------------|------------------|
|                    | <b>£</b>       | <b>£</b>         |
| Wages and salaries | 846,568        | 903,089          |
| Social security    | 83,234         | 92,342           |
| Pension            | 50,193         | 62,323           |
| Redundancy costs   | 0              | 12,895           |
| Other staff costs  | 13,142         | 91,183           |
|                    | <u>993,137</u> | <u>1,161,833</u> |

|                                                                         | <b>2023 No.</b> | <b>2022 No.</b> |
|-------------------------------------------------------------------------|-----------------|-----------------|
| The average monthly number of employees during the year was as follows: |                 |                 |

|                 |           |           |
|-----------------|-----------|-----------|
| Permanent Staff | <u>23</u> | <u>26</u> |
|-----------------|-----------|-----------|

|                                                             | <b>2023 No.</b> | <b>2022 No.</b> |
|-------------------------------------------------------------|-----------------|-----------------|
| Employees who earned more than £60,000 p.a. are as follows: |                 |                 |

|                   |          |          |
|-------------------|----------|----------|
| £60,001 - £70,000 | 1        | -        |
| £80,001 - £90,000 | <u>1</u> | <u>1</u> |
|                   | <u>2</u> | <u>1</u> |

Key management personnel comprises the Chief Executive Officer, Directors and Heads of Departments. The total employee benefits of the key management personnel of the charity were £303,765 (2022: £346,343).

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

**8 TANGIBLE & INTANGIBLE FIXED ASSETS**

|                                    | <b>Leasehold<br/>Properties</b> | <b>Fixtures<br/>and<br/>fittings</b> | <b>Computer<br/>equipment</b> | <b>Tangible<br/>Fixed<br/>Assets<br/>Totals</b> | <b>Intangible Fixed<br/>Assets Totals</b> |
|------------------------------------|---------------------------------|--------------------------------------|-------------------------------|-------------------------------------------------|-------------------------------------------|
|                                    | <b>£</b>                        | <b>£</b>                             | <b>£</b>                      | <b>£</b>                                        | <b>£</b>                                  |
| <b>COST</b>                        |                                 |                                      |                               |                                                 |                                           |
| At 31 August 2022                  | 165,886                         | 21,599                               | 125,722                       | 313,207                                         | 64,023                                    |
| Additions                          | -                               | 1,098                                | -                             | 1,098                                           | -                                         |
| At 31 August 2023                  | 165,886                         | 22,697                               | 125,722                       | 314,305                                         | 64,023                                    |
| <b>DEPRECIATION / AMORTISATION</b> |                                 |                                      |                               |                                                 |                                           |
| At 31 August 2022                  | 65,675                          | 16,054                               | 77,722                        | 159,451                                         | 51,722                                    |
| Charge for year                    | 16,588                          | 2,304                                | 33,720                        | 52,612                                          | 8,699                                     |
| Disposals                          | -                               | -                                    | -                             | -                                               | -                                         |
| At 31 August 2023                  | 82,263                          | 18,358                               | 111,442                       | 212,063                                         | 60,421                                    |
| <b>NET BOOK VALUE</b>              |                                 |                                      |                               |                                                 |                                           |
| <b>At 31 August 2023</b>           | <b>83,623</b>                   | <b>4,339</b>                         | <b>14,280</b>                 | <b>102,242</b>                                  | <b>3,602</b>                              |
| At 31 August 2022                  | 100,211                         | 5,545                                | 48,002                        | 153,758                                         | 12,251                                    |

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

**9 FIXED ASSET INVESTMENTS**

|                                             | Listed<br>investments<br>£ |
|---------------------------------------------|----------------------------|
| <b>MARKET VALUE</b>                         |                            |
| At 1 September 2022 and at 31st August 2023 | 621                        |
| <b>NET BOOK VALUE</b>                       |                            |
| At 31 August 2023                           | <u>621</u>                 |
| At 31 August 2022                           | <u>621</u>                 |

There were no investment assets outside the UK.

**INVESTMENTS IN SUBSIDIARY**

**COST**

At 1 September 2022 and at 31 August 2023 100

| Subsidiaries                     | Activities                                           | % of<br>capital<br>held | Net assets at<br>31 August<br>2023 | Profit for year<br>ended 31<br>August 2023 |
|----------------------------------|------------------------------------------------------|-------------------------|------------------------------------|--------------------------------------------|
|                                  |                                                      |                         | £                                  | £                                          |
| City Gateway Enterprises Limited | Operation of<br>Apprenticeship<br>Training<br>Agency | 100%                    | -                                  | -                                          |

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                      | 2023<br>£      | 2022<br>£      |
|----------------------|----------------|----------------|
| Debtors              | -              | -              |
| Accrued Income       | 199,916        | 342,285        |
| Other debtors        | 106,681        | 26,269         |
| Intercompany Debtors | 6,745          | 6,890          |
|                      | <u>313,342</u> | <u>375,445</u> |

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

**11a CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                            | <b>2023</b> | <b>2022</b> |
|----------------------------|-------------|-------------|
|                            | <b>£</b>    | <b>£</b>    |
| Trade creditors            | 91,090      | 83,462      |
| Other creditors            | 22,975      | 27,196      |
| Accruals                   | 52,532      | 18,934      |
| Deferred Income            | 53,333      | 258,796     |
| Other loans (see note 11c) | 19,932      | 43,243      |
|                            | <hr/>       | <hr/>       |
|                            | 239,862     | 431,631     |
|                            | <hr/>       | <hr/>       |

**11b CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                 | <b>2023</b> | <b>2022</b> |
|-----------------|-------------|-------------|
|                 | <b>£</b>    | <b>£</b>    |
| Accruals        | 121,359     | 156,354     |
| Deferred Income | 247,431     | 116,608     |
| Other creditors | -           | -           |
| Loans           | 23,277      | 37,206      |
|                 | <hr/>       | <hr/>       |
|                 | 392,067     | 310,168     |
|                 | <hr/>       | <hr/>       |

**11c MATURITY OF LOANS**

|                                     | <b>2023</b> | <b>2022</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>£</b>    | <b>£</b>    |
| Loans repayable in one year or less | 19,932      | 43,243      |
| Between one and two years           | 10,183      | 13,932      |
| Between two and five years          | 13,094      | 23,274      |
| Between five and ten years          | -           | -           |
|                                     | <hr/>       | <hr/>       |
|                                     | 43,209      | 80,449      |
|                                     | <hr/>       | <hr/>       |

The Charity has repaid two loans drawn down in 2019/20 which were unsecured and bearing interest at 8%. In addition to that the Charity has one loan drawn down in 2020/21 (Bounce Back loan) which is unsecured and bearing interest at 2.5%.

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

**12 UNRESTRICTED FUNDS**

|                                 | At 1<br>September<br>2022 | Incoming<br>resources | Resources<br>Expended | Transfers<br>in/out | At 31<br>August<br>2023 |
|---------------------------------|---------------------------|-----------------------|-----------------------|---------------------|-------------------------|
|                                 | £                         | £                     | £                     | £                   | £                       |
| <b>Unrestricted funds</b>       |                           |                       |                       |                     |                         |
| General Funds                   | 153,310                   | 1,170,229             | (1,161,766)           | -                   | 161,773                 |
| <b>Total unrestricted funds</b> | <b>153,310</b>            | <b>1,170,229</b>      | <b>(1,161,766)</b>    | <b>-</b>            | <b>161,773</b>          |

**Details of designated funds**

**13 RESTRICTED FUNDS**

|                                    | At 1<br>September<br>2022 | Incoming<br>resources | Resources<br>Expended | At 31<br>August 2023 |
|------------------------------------|---------------------------|-----------------------|-----------------------|----------------------|
|                                    | £                         | £                     | £                     | £                    |
| Canary Wharf Group                 | -                         | 9,180                 | (9,180)               | -                    |
| Gosling Foundation                 | -                         | 10,000                | -                     | 10,000               |
| Greater London Authority           | -                         | 54,128                | (54,128)              | -                    |
| London Catalyst (Samaritan Grant)  | -                         | 1,200                 | (1,200)               | -                    |
| The Big Give                       | -                         | 10,285                | (10,285)              | -                    |
| Good Things Foundation             | -                         | 24,003                | (24,003)              | -                    |
| The London Community<br>Foundation | -                         | 119,264               | (119,264)             | -                    |
| The Hobson Charity Limited         | -                         | 9,430                 | (9,430)               | -                    |
| Jack Petchey Foundation            | -                         | 8,340                 | (8,340)               | -                    |
| <b>Total restricted funds</b>      | <b>-</b>                  | <b>245,830</b>        | <b>(235,830)</b>      | <b>10,000</b>        |

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

**Details of restricted funds 2022/23**

| <b><u>Restricted Funds</u></b>    | <b><u>Description</u></b>           |
|-----------------------------------|-------------------------------------|
| Canary Wharf Group                | Learner visits to employers         |
| Gosling Foundation                | Coaching and mentoring support.     |
| Greater London Authority          | Covid-19 response (Capital funding) |
| London Catalyst (Samaritan Grant) | To assist people in severe need.    |
| The Big Give - various donors     | Coaching and mentoring support.     |
| Good Things Foundation            | Power Up 2.0 project                |
| The London Community Foundation   | Skill Up Step Up Employability Fund |
| The Hobson Charity Limited        | Capital funding                     |
| Jack Petchey Foundation           | Learner support                     |

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                        | <b>Unrestricted<br/>General Funds</b> | <b>Restricted<br/>Funds</b> | <b>Total<br/>Funds</b> | <b>Total<br/>Funds</b> |
|----------------------------------------|---------------------------------------|-----------------------------|------------------------|------------------------|
|                                        |                                       |                             | <b>2023</b>            | <b>2022</b>            |
|                                        | <b>£</b>                              | <b>£</b>                    | <b>£</b>               | <b>£</b>               |
| Tangible Fixed Assets                  | 102,242                               | -                           | 102,242                | 153,758                |
| Intangible assets                      | 3,602                                 | -                           | 3,602                  | 12,251                 |
| Investments                            | 721                                   | -                           | 721                    | 721                    |
| Current Assets                         | 687,136                               | 10,000                      | 697,136                | 728,378                |
| Creditors due within one year          | (487,293)                             | -                           | (487,293)              | (431,631)              |
| Creditors due after more than one year | (144,636)                             | -                           | (144,636)              | (310,168)              |
| Net Assets at 31 August 20201          | 161,773                               | 10,000                      | 171,773                | 153,309                |

**15 GUARANTEE STATUS**

The company is limited by guarantee, which means that every member undertakes to contribute to the assets of the company in the event of a winding up, such amounts as may be required not exceeding one pound.

**16 GIFT IN KIND**

During the year the charity received services in kind from corporate supporters. These services included various kinds of support. These services have not been included in the financial statements because the trustees have not been able to accurately access what the value of these gift amounts to.

**17 OPERATING LEASE COMMITMENTS**

At 31st August 2022 the charity had commitments under non-cancellable operating leases as follows:

|                       | <b>Land and buildings</b> |                  |
|-----------------------|---------------------------|------------------|
|                       | <b>2023</b>               | <b>2022</b>      |
|                       | <b>£</b>                  | <b>£</b>         |
| Less than 1 year      | 193,402                   | 80,584           |
| Between 2 and 5 years | 773,698                   | 773,608          |
| More than 5 years     | 16,117                    | 209,519          |
| <b>Total</b>          | <b>983,217</b>            | <b>1,063,711</b> |

**18 RELATED PARTY TRANSACTIONS**

Due to the nature of the Charity's operations and composition of its Trustees, it is possible that there will be transactions from time to time between the Charity and organisations with which Trustee of the Charity have relationship. If such transactions do occur, they are conducted on an arm-length basis and in compliance with the Charity's Financial Regulations and Policies.

**19 PENSION COMMITMENTS**

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in independently administrated funds. The pension cost charge represents contributions payable by the charity to the funds and amount to £50,192 (2022: £62,348). At the year end there were outstanding payments of £1,162 (2022: £5,543)

**City Gateway**  
**Notes to the Financial Statements for the year ended 31 August 2023**

**20 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

|                                                  | <b>General<br/>Funds</b> | <b>Restricted<br/>funds</b> | <b>2022 Total<br/>Funds</b> |
|--------------------------------------------------|--------------------------|-----------------------------|-----------------------------|
|                                                  | <b>£</b>                 | <b>£</b>                    | <b>£</b>                    |
| <b>INCOME</b>                                    |                          |                             |                             |
| <b>Incoming resources from generated funds</b>   |                          |                             |                             |
| Donations and legacies                           | 473,652                  | 119,414                     | 593,066                     |
| Income form Investments                          | 188                      | -                           | 188                         |
| Income from charitable activities                | 782,682                  | 282,881                     | 1,065,563                   |
| <b>Total Income</b>                              | <b>1,256,522</b>         | <b>402,295</b>              | <b>1,658,817</b>            |
| <b>EXPENDITURE</b>                               |                          |                             |                             |
| Charitable Activities                            | 1,227,149                | 402,295                     | 1,629,444                   |
| <b>Total Expenditure</b>                         | <b>1,227,149</b>         | <b>402,295</b>              | <b>1,629,444</b>            |
| <b>NET MOVEMENT IN FUNDS</b>                     | <b>29,373</b>            | <b>-</b>                    | <b>29,373</b>               |
| Total funds brought forward as previously stated | 117,821                  | -                           | 117,821                     |
| <b>Total funds carried forward</b>               | <b>147,194</b>           | <b>-</b>                    | <b>147,194</b>              |

All amounts relate to continuing activities and there are no other gains or losses other than as disclosed in the statement of financial activities.

**CITY GATEWAY LIMITED**

England & Wales - Charity number 1078360

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# Accounts

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**REPORT OF THE TRUSTEES AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**FOR**

**CITY GATEWAY**

Imagine a society where  
everyone reaches their full  
potential.

Where the future is not  
defined by the past or  
determined by the place a  
person starts.

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| Consolidated Statement of Cash Flows           | 13          |
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## **City Gateway**

### **Contents of the financial statements for the year ended 31 August 2022**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**Registered Company number** 03760619 (England and Wales)

**Registered Charity number** 1078360

**Registered Office** The Pavilion Import Building, 2 Clove Crescent, London, E14 2BE

#### **TRUSTEES**

Kenny Imafidon - Chairman  
Sean Greathead (resigned 26 January 2022)  
Kate Vintiner  
Yvonne Bajela  
Uchechi Okereke  
Clive Mills  
Adam Pizzey  
David Wesson

#### **CHIEF EXECUTIVE**

Diane Betts

#### **AUDITOR**

Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton SM1 4FS

#### **BANK**

National Westminster Bank, PO Box 282, 216 Bishopsgate, London, EC2M 4QB

## **WHY WE DO WHAT WE DO?**

Right now, things seem rather desperate with the cost-of-living crisis, sky-high energy prices and inflation at the highest level for a generation. The young people we support are struggling to afford food, they are regularly having to turn to foodbanks to feed themselves, and they live with the worry of how to pay to heat their homes every day. It sounds bleak, but for some it has been even worse. One such learner is Michaela. A few years ago she wasn't in a great place, her mum had died, her mental health was suffering and she had no confidence in herself. She dropped out of sixth form because the teachers didn't support her, and she had lost all her motivation. At the time she thought she had no future and she didn't know where to turn. But, there was, there is, thanks to City Gateway.

Michaela says "Thanks to City Gateway I can say with so much pride that I'm an apprentice! They helped me develop skills to make me employable – I never had a CV and had no clue where to start with a covering letter – and they helped me secure my apprenticeship. They took me from a place where I didn't feel I had a shred of self-confidence to where I am now, brimming with confidence. I have to thank the coaching team for that. I'd never felt I could talk about what had happened and how I felt. But they listened. They actually cared. Not just about my future but about me, even supporting me with travel costs and there was always breakfast available to start the day right. I love their foodbank, I still use that today. I have been given so many new opportunities, and I go home every day with a new sense of fulfilment."

Michaela is one of 232 young people we have supported during 2021-22. And Michaela's story is not an isolated one. We have supported young people who have been homeless, those who have struggled with drug and alcohol use, those who are deeply in debt as well as those who are raising young children on their own. City Gateway has given them a safe space to come and achieve their ambitions. We never judge. We always listen and we treat each young person as an individual. Our wrap around coaching support helps them to remain focussed on their learning while they continue to navigate the challenges they still face in other areas of their lives. We stay with them, continuing our support, never giving up on their potential to achieve.

## **WHAT WE DO**

City Gateway is a charity formed in 1999 by a group of City professionals who were concerned about unemployment in their local community.

We believe in empowering people to change their own future.

And by standing with them and supporting them to achieve those ambitions, that future can be as optimistic as they dare imagine. In Tower Hamlets today, over half of all children will wake up in poverty. Many families don't know where to turn and job opportunities for young people can be hard to access.

Possibilities are on the doorstep – literally. The affluence of Canary Wharf sits side by side with Tower Hamlets in East London, where we're based. Yet without help unlocking that potential, few will benefit.

This is where we step in, seeing potential – even well-hidden potential – working in some of London's communities most impacted by social and economic inequality. Our motivation and deeply held conviction is that by standing with people, providing practical input as they navigate sometimes huge obstacles, enables them to rewrite their story.

We provide support services, training courses, Traineeships and Apprenticeships for young people, readying them for the workplace. Through our network of placements with world-leading employers, we provide opportunities that give young people vital experience, much needed confidence, and essential skills.

Last year we supported 232 young people on our Traineeship programme. We had an overall achievement rate of 76%. Before coming to City Gateway 70% of our learners were not in any form of Education, Employment or Training and 94% were Target Population. Of all learners on a traineeship 25% of learners had learning difficulties or health problems and 12% were from low income families.

The charity continues to deliver education, training and coaching programmes for students and pathways into sustainable employment with our partner employers. We are a gateway for our students to achieve their full potential.

## **ETHOS AND VALUES**

At City Gateway, we believe everyone is made equal and in the image of God. We strive to follow the example of Jesus, in loving and helping those excluded and in need in society. We celebrate diversity. We treat everyone with respect and honesty. We are ambitious. We seek excellence in all we do. And we are optimistic for the future.

## **THE NEED**

The capital's youth unemployment rate currently stands at 13.5% which is more than three times higher than the UK national unemployment rate for all ages of 3.7% (Office for National Statistics).

The rate of unemployment in the capital of young people aged 16-24 is 29% higher than in the same age group across the rest of England, according to the Office for National Statistics.

Most worrying is that 21.7% of all people who had been unemployed for more than 12 months were 16-24 year olds (according to the Office for National Statistics), which has crushing consequences for their hopes and self-esteem.

What we do works. But the reality is, Covid-19 and the cost-of-living crisis is having a greater impact on young people. Their education has been impacted and affording to buy life's necessities has become increasingly difficult. Which means there is greater demand for our courses. In the last year alone, we have seen a 46% increase in demand. Learners are coming to us with lower-level prior attainment in the core subjects of maths and/or English – one third are at the level of 7-11 year old children. And in core industries such as Information Technology, which is growing at an incredible rate, there aren't enough people with the skills to feed the workforce of the future.

We are expertly equipped to meet all these challenges.

- We know how to deliver maths and English qualifications effectively – we achieved a 60% pass rate in English and 72% pass rate in maths..
- We have a unique wrap-around coaching programme that supports a young person not just with their career progression but also pastorally helping us achieve a 76% achievement rate into an apprenticeship, job or further education.
- We are taking our expert knowledge and experience delivering Business Administration Apprenticeships and introducing IT apprenticeships to help ensure this sector has a workforce to sustain it into the future.

That is why we are going to support 400 young people in 2022-23 and 600 in 2023-24, because there is huge demand we must meet to ensure young people are never held back by disadvantage or the place they start.

## **HOW WE DO WHAT WE DO**

Young people have been caught in a perfect storm. To get a sustainable job they need the right experience and skills. Work placements and apprenticeships provide this, but almost 80 per cent of entry-level apprenticeships and work placements were cut or paused due to Covid. As the job market opened up, there has been increased competition for entry level roles with two years' worth of school leavers and graduates looking. Combined with older workers returning to the labour market, the impact is pushed further down the chain. This affects those most who have the least experience, however talented they may be.

## **OUR IMPACT**

Our achievement rate last year was 76% despite the impact of Covid. Of those young people, 48% entered full time work (16+ hours) with 62 new employers. 26% of our young people progressed on to an apprenticeship with 31 new apprenticeship employers. 27% of our young people went on to Further Education or training with 34 of our referral partners.

## OUR PARTNERS

City Gateway's impact is only possible in collaboration with the future-thinking, generous organisations who partner with us. These organisations work with us to volunteer, fund our programmes, and provide work placements and Apprenticeship opportunities in their teams for our aspirational, job-ready learners.

Each of our partners has made a significant contribution to changing lives in London in 2021-22 and we are truly grateful to all of them. We were also delighted that Impetus renewed their partnership with us into a sustain phase to support us to meet our growth targets of working with 600 young people from 2023-24.

Below are just some of the partners that make our work possible:



If you would like to partner with us, please contact [partnership@citygateway.org.uk](mailto:partnership@citygateway.org.uk) for more information.

## **BOARD GOVERNANCE**

City Gateway is a company limited by guarantee governed by its Memorandum and Articles of Association dated 13 April 2022. It is registered as a charity with the Charity Commission.

City Gateway has always and will continue to take its responsibilities of ensuring that its charitable activities contribute significantly to the lives of those we work with and specifically within the local areas in which those activities are undertaken. With reference to Charities Act 2011, all our charitable activities are directed towards having a lifelong impact on London and these activities are undertaken to further our charitable purposes for the public benefit.

Trustees are appointed on the basis of their skills and experience as well as their passion to further City Gateway's vision, mission and ethos. A mix of different skills and backgrounds is sought on the Board and for Board Working Groups.

All Trustees give their time voluntarily and receive no private benefit from the charity. The term of office for a Trustee is two terms of 3 years, extendable by invitation of the Chairman.

Newly appointed Trustees are briefed on their responsibilities and legal obligations under both charity and company law, the Memorandum and Articles of Association, the current Strategic Business Plan and given an overview of the recent financial performance. Each Trustee is given a particular role on a Board Working Group and is expected to attend all Trustee meetings. Trustees are encouraged to attend appropriate external training, where this facilitates the undertaking of their role.

Trustees are responsible for setting general policy, finalising and approving the annual plan and budget, monitoring the charity and taking major decisions about the strategic direction of the charity and capital expenditure. Trustees appoint the Chief Executive Officer ("CEO") to manage and lead the charity and agree a level of delegated authority. The CEO is accountable to the board of Trustees through the Chairman who has regular meetings with the CEO. The CEO is responsible for ensuring that the charity delivers its mission, and that key performance metrics of operational delivery are met. The remuneration of the CEO is approved annually by the Trustees.

## **TEAM**

City Gateway has an outstanding staff team of 27 led by Diane Betts.

We invite employers to help us change society for the better by stepping up with job or apprenticeship opportunities for the upskilling young people and the future workforce.

We know there is an incredible pool of hidden talent. Whilst our coaching model achieves positive outcomes for those on our programme, young people need support. It is our joint responsibility to improve individual life chances and unlock potential.

All our team have a passion for our students and achieving lasting transformational impact in their lives. They are just as passionate for serving our partners with excellence and for our culture of continuous improvement.

## **FUTURE IMPACT PLAN FOR THE COMING YEARS**

The Trustees plan, in the future, to build on our mission and grow our impact to transform the life chances of Young People in London communities most impacted by social and economic inequality.

We continue to work with employers to place our students into Traineeship work placements leading to Apprenticeship outcomes to increase our financial sustainability.

We want to continue to improve progression into full time education or employment outcomes for all our students. We especially want to support our students into Apprenticeships, which uniquely allow us to continue to support, coach and train them whilst they complete their first 12/18 month's employment.

## **FINANCIAL REVIEW 2021/22**

The accounts contained in this report are presented in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)" - (Charities SORP (FRS 102)) and with relevant companies and charities legislation and regulations.

The Trustees report a year of excellent progress in 2021/22 emerging from the pandemic.

City Gateway's gross income from all sources, how this income was expended and the split of financial activity between restricted and unrestricted funds is shown in detail in the following pages. Annual income was £1.7m (2020/21: £1.6m). Our annual surplus in the year was £29k (2020/21 surplus of £11k). This surplus is a direct result of continuing our investment in building expertise in the future strategic direction.

## **RESERVES**

City Gateway is committed to using its resources in pursuit of its charitable activities. It is also committed to maintaining a level of reserves that is prudent to meet its on-going liabilities, sufficient to ensure that all service delivery commitments can be met and to protect the long-term sustainable future of operations. This commitment is in line with the Operational guidance No 43 (Charity Income Reserves) issued by the Charity Commission which seeks to guarantee financial security and ensure a sufficient level of reserves.

Free reserves cover has increased slightly in the year to £147k which corresponds to 1 month at year end (2020/21: 1 month). We report a cash position at year end of £353k. This equates to 2 months cover (2020/21: 4 months cover).

Our reserves policy is to aim to maintain sufficient cash reserves to cover at least 3 months future expenditure. This policy is regularly reviewed to ensure that it continues to be appropriate and sufficient.

## **RISK MANAGEMENT**

We continue to assess, review, monitor and plan for all risks which the organisation may face, now or in the future. Our risk management strategy comprises a risk register of all aspects of the organisation and its activities, outlining possible risks which may occur, procedures to mitigate the risks identified and regular re-assessments both of the risks already outlined on the register and of potential new risks. This process raises awareness of risk and assists with the development of robust contingency plans.

## **KEY RISKS**

There has been a change to the funding landscape with increase in competition and reduction in funds available from usual sources as a result of the ongoing challenges coming out of the pandemic and the cost of living crisis.

To mitigate this risk there has been a move to increase our statutory (ESFA) funding for our existing programmes including Traineeships. There has also been a focus on renewing existing partners as trends in Corporate Giving is to remain with the existing portfolio. We are also continuing to build new strategic partnerships, to assist us in future delivery. We encourage each partner to contribute in three keyways; by supporting us financially, by engaging in mutually beneficial staff volunteering opportunities; and by providing our young people with work-placements, apprenticeships and full-time employment opportunities. We are also

creating a Fundraising Committee, which will draw on the ideas and contacts of our trustees, and external fundraising experts, to further develop our strategy and maximise our effectiveness at networking.

The Board have assessed Brexit and Covid-19 and concluded that this does not pose a specific risk to the organisation.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of City Gateway for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

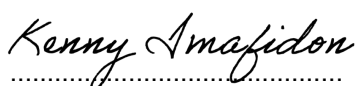
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, and to 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.

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditor is aware of that information.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink that reads "Kenny Imafidon".

.....  
Kenny Imafidon  
**Trustee**

Date: 16 March 2023

## **OPINION**

We have audited the financial statements of City Gateway (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 state of the group's and of the parent charity's affairs as 31 August 2022 and of the group's 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 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 financial statements" section of our report. We are independent of the group and the parent charity 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 group's and the parent charity'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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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' Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report have been prepared in accordance with applicable legal requirements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report which includes the Directors' 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 by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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 6, the trustees 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the group and the parent charity and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation and health and safety regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and

## City Gateway

### Report of the independent auditor to the members of City Gateway

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- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and Charities Act 2011.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustee and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

#### USE OF THE AUDIT 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.

Signed: NT Wakefield  
Nicola Wakefield (Apr 5, 2023 17:20 GMT+1)

Nicola Wakefield (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza

Sutton Court Road

Sutton

SM1 4FS

Date: 05-Apr-2023

**City Gateway**  
**Consolidated Statement of Financial Activities for the year ended 31 August 2022**

|                                    | Note         | General<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2022 Total<br>Funds<br>£ | 2021 Total<br>Funds<br>£<br>(note 20) |
|------------------------------------|--------------|-----------------------|--------------------------|--------------------------|---------------------------------------|
| <b>Income</b>                      |              |                       |                          |                          |                                       |
| Donations and legacies             | 2            | 473,652               | 119,414                  | 593,066                  | 551,317                               |
| Income from Investments            |              | 188                   | -                        | 188                      | 59                                    |
| Income from charitable activities  | 3            | 782,682               | 282,881                  | 1,065,563                | 1,046,575                             |
| <b>Total income</b>                |              | <b>1,256,522</b>      | <b>402,295</b>           | <b>1,658,817</b>         | <b>1,597,951</b>                      |
| <b>Expenditure</b>                 |              |                       |                          |                          |                                       |
| Charitable activities              | 4            | 1,227,149             | 402,295                  | 1,629,444                | 1,586,730                             |
| <b>Total expenditure</b>           |              | <b>1,227,149</b>      | <b>402,295</b>           | <b>1,629,444</b>         | <b>1,586,730</b>                      |
| <b>NET MOVEMENT IN FUNDS</b>       |              | <b>29,373</b>         | <b>-</b>                 | <b>29,373</b>            | 11,221                                |
| Total funds brought forward        |              | 117,821               | -                        | 117,821                  | <b>106,600</b>                        |
| <b>Total funds carried forward</b> | <b>12,13</b> | <b>147,194</b>        | <b>-</b>                 | <b>147,194</b>           | <b>117,821</b>                        |

All amounts relate to continuing activities and there are no other gains or losses other than as disclosed in the statement of financial activities.

The notes form part of these financial statements

**City Gateway**  
**Consolidated Balance sheet at 31 August 2022**

|                                                 |       | <b>2022</b>           | <b>2021</b>           |
|-------------------------------------------------|-------|-----------------------|-----------------------|
|                                                 | Note  | £                     | £                     |
| <b>FIXED ASSETS</b>                             |       |                       |                       |
| Tangible assets                                 | 8     | 153,758               | 177,243               |
| Intangible assets                               | 8     | 12,251                | 20,898                |
| Investments                                     | 9     | <u>621</u>            | <u>621</u>            |
|                                                 |       | 166,630               | 198,762               |
| <b>CURRENT ASSETS</b>                           |       |                       |                       |
| Debtors: amounts falling due within one year 10 |       | 368,813               | 148,367               |
| Cash at bank and in hand                        |       | <u>353,550</u>        | <u>640,603</u>        |
|                                                 |       | 722,363               | 788,970               |
| <b>CREDITORS</b>                                |       |                       |                       |
| Amounts falling due within one year             | 11a   | <u>(431,631)</u>      | <u>(526,561)</u>      |
| <b>NET CURRENT ASSETS</b>                       |       | <u>290,732</u>        | <u>262,409</u>        |
| <b>CREDITORS</b>                                |       |                       |                       |
| Amounts falling due after more than one year    | 11b   | <u>(310,168)</u>      | <u>(343,350)</u>      |
| <b>NET ASSETS</b>                               |       | <u><u>147,194</u></u> | <u><u>117,821</u></u> |
| <b>FUNDS</b>                                    | 12,13 |                       |                       |
| Unrestricted funds                              |       | 147,194               | 117,821               |
| Restricted funds                                |       | <u>-</u>              | <u>-</u>              |
| <b>TOTAL FUNDS</b>                              |       | <u><u>147,194</u></u> | <u><u>117,821</u></u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and have been audited under the Companies Act 2006.

The financial statements were approved by the Board of Trustees on **16 March 2023** and were signed on its behalf by:

*Kenny Imafidon*  
 .....  
**Kenny Imafidon**

**Trustee**

**City Gateway**  
**Charity Balance sheet at 31 August 2022**

|                                                 | Note  | 2022<br>£      | 2021<br>£      |
|-------------------------------------------------|-------|----------------|----------------|
| <b>FIXED ASSETS</b>                             |       |                |                |
| Tangible assets                                 | 8     | 153,758        | 177,243        |
| Intangible assets                               | 8     | 12,251         | 20,898         |
| Investments                                     | 9     | 621            | 621            |
| Investment in subsidiary                        | 9     | <u>100</u>     | <u>100</u>     |
|                                                 |       | 166,730        | 198,862        |
| <b>CURRENT ASSETS</b>                           |       |                |                |
| Debtors: amounts falling due within one year 10 |       | 375,445        | 154,474        |
| Cash at bank and in hand                        |       | <u>352,934</u> | <u>639,796</u> |
|                                                 |       | 728,379        | 794,243        |
| <b>CREDITORS</b>                                |       |                |                |
| Amounts falling due within one year             | 11a   | (431,631)      | (535,688)      |
| <b>NET CURRENT ASSETS</b>                       |       | <u>296,748</u> | <u>268,555</u> |
| <b>CREDITORS</b>                                |       |                |                |
| Amounts falling due after more than one year    | 11b   | (310,168)      | (343,350)      |
| <b>NET ASSETS</b>                               |       | <u>153,310</u> | <u>124,067</u> |
| <b>FUNDS</b>                                    | 12,13 |                |                |
| General funds                                   |       | 153,310        | 124,067        |
| Restricted funds                                |       | <u>-</u>       | <u>-</u>       |
| <b>TOTAL FUNDS</b>                              |       | <u>153,310</u> | <u>124,067</u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and have been audited under the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 16 March 2023 and were signed on its behalf by:

*Kenny Imafidon*  
 .....  
**Kenny Imafidon**

**Trustee**

**City Gateway**  
**Consolidated Statement of Cash Flows for the year ended 31 August 2022**

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|                                                               | 2022<br>£     | 2022<br>£        | 2021<br>£     | 2021<br>£        |
|---------------------------------------------------------------|---------------|------------------|---------------|------------------|
| <b>Cash flows from operating activities</b>                   |               |                  |               |                  |
| <b>Net income</b>                                             | <b>29,373</b> |                  | <b>11,221</b> |                  |
| Adjustments for:                                              |               |                  |               |                  |
| Depreciation                                                  | 48,907        |                  | 54,810        |                  |
| Amortisation                                                  | 8,647         |                  | 15,896        |                  |
| Interest income                                               | (188)         |                  | (59)          |                  |
| Interest expense                                              | 4,961         |                  | -             |                  |
| Trade and other debtors                                       | (220,445)     |                  | (59,113)      |                  |
| Trade and other creditors                                     | 46,643        |                  | 63,152        |                  |
|                                                               | <hr/>         |                  | <hr/>         |                  |
| <b>Cash flows (used in)/generated by operating activities</b> |               | <b>(175,388)</b> |               | <b>85,907</b>    |
| <br>Purchase of property plant and equipment                  | <br>(25,420)  |                  | <br>(86,860)  |                  |
| Purchase of intangible fixed assets                           |               |                  | (25,942)      |                  |
| Interest received                                             | 188           |                  | 59            |                  |
|                                                               | <hr/>         |                  | <hr/>         |                  |
| <b>Cash flows used in investing activities</b>                |               | <b>(25,232)</b>  |               | <b>(112,743)</b> |
| <br>Interest paid                                             | <br>(4,961)   |                  | <br>(7,228)   |                  |
| Loans repaid in the year                                      | (81,472)      |                  | (37,973)      |                  |
| New loans received in the year                                | -             |                  | 50,000        |                  |
|                                                               | <hr/>         |                  | <hr/>         |                  |
| <b>Cash flows (used in)/generated by financing activities</b> |               | <b>(86,433)</b>  |               | <b>4,799</b>     |
| <br><b>Net decrease in cash</b>                               |               | <b>(287,053)</b> |               | <b>(22,037)</b>  |
| <br><b>Cash balance at 1 September</b>                        |               | <b>640,603</b>   |               | <b>662,640</b>   |
|                                                               |               | <hr/>            |               | <hr/>            |
| <br><b>Cash balance at 31 August</b>                          |               | <b>353,550</b>   |               | <b>640,603</b>   |
|                                                               |               | <hr/>            |               | <hr/>            |

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

City Gateway meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Under s408 of the Companies Act 2006 the charitable company is exempt from the requirement to present its own Statement of Financial activities. The surplus for the year for the charitable parent company was £29,242 (2021: surplus of £11,102).

**Going concern**

The trustees consider that it is appropriate for these financial statements to be prepared on the going concern basis given the level of assets and the forecast results for 2021/22.

The trustees have reviewed detailed cash flow projections to 31 March 2024. Both sources of income and types of expenditure have been reviewed including sensitivity analysis. The charity is teaching students in person and our current funding partners remain committed to supporting delivery of our mission in the medium to long term. The trustees have also considered the charity's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

**Income**

All income is included on the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income received in advance on contracts, performance related grants and grants for future periods is carried through to the Balance Sheet as deferred income and included in creditors. Where it is probable that income received will be claimed back, this amount is included in the SOFA as an income provision and is also included on the Balance Sheet as a creditor.

**Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources.

**Intangible fixed assets**

Software costs have been capitalised at historic cost and amortised on a straight line basis between 2 years and 5 years.

### **Tangible fixed assets**

Depreciation is provided at rates calculated in order to write off each asset evenly over its estimated useful life. Individual items costing under £1,000 are written off on purchase. Estimated useful life of assets is as follows:

|                       |                               |
|-----------------------|-------------------------------|
| Leasehold properties  | -Over the period of the lease |
| Fixtures and fittings | -1 to 5 years                 |
| Computer equipment    | -3 years                      |
| Motor vehicles        | -5 years                      |

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are those unrestricted funds which the trustees have earmarked to be used for a particular purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### **Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

### **Pension scheme**

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2022**

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**2. VOLUNTARY INCOME**

|                                           | <b>2022</b><br>£ | <b>2021</b><br>£ |
|-------------------------------------------|------------------|------------------|
| Individual donations & Fundraising events | 51,723           | 37,161           |
| Corporate donations                       | 516,557          | 262,667          |
| Gifts in kind                             | -                | 7,319            |
| Other                                     | <u>24,786</u>    | <u>244,170</u>   |
|                                           | <u>593,066</u>   | <u>551,317</u>   |

Corporate donations includes £119,414 (2021: £110,676) of restricted donations. All other balances in the current and prior year are unrestricted.

**3. INCOME FROM CHARITABLE ACTIVITIES**

|                                | <b>2022</b><br>£ | <b>2021</b><br>£ |
|--------------------------------|------------------|------------------|
| Statutory income               | 777,510          | 674,556          |
| Other grants and contracts     | 288,053          | 369,628          |
| Apprenticeship Training Agency | -                | 2,391            |
|                                | <u>1,065,563</u> | <u>1,046,575</u> |

Other grants and contracts includes £282,881 (2021: £255,957) of restricted income. All other balances in the current and prior year are unrestricted.

**4. EXPENDITURE ON CHARITABLE ACTIVITIES**

|                                              | Young People's<br>education,<br>training and<br>progression<br>£ | Family<br>programme<br>s<br>£ | Apprentic<br>eship<br>Training<br>Agency<br>£ | 2022<br>£        | 2021<br>£        |
|----------------------------------------------|------------------------------------------------------------------|-------------------------------|-----------------------------------------------|------------------|------------------|
| Direct charitable activities                 | 666,339                                                          | 64,891                        | 159,130                                       | 890,360          | 866,900          |
| Support costs                                | 553,124                                                          | 53,867                        | 132,093                                       | 739,084          | 719,830          |
| <b>Total</b>                                 | <b>1,219,463</b>                                                 | <b>118,760</b>                | <b>291,223</b>                                | <b>1,629,444</b> | <b>1,586,730</b> |
| <b>Support costs broken down by activity</b> |                                                                  |                               |                                               |                  |                  |
| Senior management                            | 108,511                                                          | 10,568                        | 25,914                                        | 144,993          | 135,753          |
| Finance & contract management                | 186,472                                                          | 18,159                        | 44,532                                        | 249,163          | 288,362          |
| Premises, Facilities & IT                    | 109,810                                                          | 10,694                        | 26,224                                        | 146,728          | 175,452          |
| HR & Staff development                       | 28,721                                                           | 2,797                         | 6,859                                         | 38,377           | 37,431           |
| Marketing & communication                    | 119,610                                                          | 11,649                        | 28,564                                        | 159,823          | 75,514           |
| Gift in kind:                                | -                                                                | -                             | -                                             | -                | 7,318            |
| Professional services                        |                                                                  |                               |                                               |                  |                  |
| <b>Total support costs</b>                   | <b>553,124</b>                                                   | <b>53,867</b>                 | <b>132,093</b>                                | <b>739,084</b>   | <b>719,830</b>   |

Direct charitable activities includes £402,295 of restricted expenditure (2021: £381,099) and Support costs includes £nil of restricted expenditure (2021: £NIL). All other balances in the current and prior years are unrestricted.

Apportionment of support costs between activities is based on direct charitable activities.

**5a. GOVERNANCE COSTS (included in Support Costs above)**

|                      | 2022<br>£ | 2021   |
|----------------------|-----------|--------|
| Auditor remuneration | 13,200    | 16,152 |

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2022**

**5b. NET INCOME / (EXPENDITURE)**

Net movements in funds are stated after charging:

|                                          | <b>2022</b>    | <b>2021</b>    |
|------------------------------------------|----------------|----------------|
|                                          | <b>£</b>       | <b>£</b>       |
| Auditor's remuneration – audit fees      | 13,200         | 16,152         |
| Depreciation/amortisation - owned assets | 57,554         | 70,706         |
| Other operating leases                   | <u>119,762</u> | <u>127,963</u> |

**6. TRUSTEES' REMUNERATION AND BENEFITS**

The Chair was not paid during the year ended 31 August 2022 or the year ended 31 August 2021. No other trustee received any remuneration during the current or prior years.

**Trustees' Expenses**

No trustees claimed expenses during the year ended 31 August 2022 or the year ended 31 August 2021.

**7. STAFF COSTS**

|                    | <b>2022</b>      | <b>2021</b>      |
|--------------------|------------------|------------------|
|                    | <b>£</b>         | <b>£</b>         |
| Wages and salaries | 903,089          | 918,773          |
| Social security    | 93,342           | 87,568           |
| Pension            | 62,323           | 58,256           |
| Redundancy costs   | 12,895           | -                |
| Other staff costs  | <u>91,183</u>    | <u>32,319</u>    |
|                    | <u>1,161,833</u> | <u>1,096,916</u> |

The average monthly number of employees during the year was as follows:

|                 | <b>2022 No.</b> | <b>2021 No.</b> |
|-----------------|-----------------|-----------------|
| Permanent staff | <u>26</u>       | <u>30</u>       |
|                 | <u>26</u>       | <u>30</u>       |

Employees who earned more than £60,000 p.a. are as follows:

|                   | <b>2022 No.</b> | <b>2021 No.</b> |
|-------------------|-----------------|-----------------|
| £60,001 - £70,000 | -               | 1               |
| £70,001 - £80,000 | -               | 1               |
| £80,001 – £90,000 | 1               | -               |
|                   | <u>1</u>        | <u>2</u>        |

Key management personnel comprises the Chief Executive, the Development Director, the Head of Finance and the Head of Outreach & Marketing. The total employee benefits of the key management personnel of the charity were £346,343 (2021: £324,489).

**8. TANGIBLE & INTANGIBLE FIXED ASSETS**

| <b>GROUP &amp; CHARITY</b>       | <b>Leasehold Properties</b> | <b>Fixtures and fittings</b> | <b>Computer Equipment</b> | <b>Tangible Fixed Assets Totals</b> | <b>Intangible Fixed Assets Totals</b> |
|----------------------------------|-----------------------------|------------------------------|---------------------------|-------------------------------------|---------------------------------------|
|                                  | <b>£</b>                    | <b>£</b>                     | <b>£</b>                  | <b>£</b>                            | <b>£</b>                              |
| <b>COST</b>                      |                             |                              |                           |                                     |                                       |
| At 1 September 2021              | 165,886                     | 15,039                       | 106,862                   | 287,787                             | 64,023                                |
| Additions                        | -                           | 6,560                        | 18,862                    | 25,422                              | -                                     |
| Disposals                        | -                           | -                            | -                         | -                                   | -                                     |
| <b>At 31 August 2022</b>         | <b>165,886</b>              | <b>21,599</b>                | <b>125,724</b>            | <b>313,209</b>                      | <b>64,023</b>                         |
| <b>DEPRECIATION/AMORTISATION</b> |                             |                              |                           |                                     |                                       |
| At 1 September 2021              | 49,086                      | 14,313                       | 47,145                    | 110,544                             | 43,125                                |
| Charge for the year              | 16,589                      | 1,741                        | 30,577                    | 48,907                              | 8,647                                 |
| Released on disposal             | -                           | -                            | -                         | -                                   | -                                     |
| <b>At 31 August 2022</b>         | <b>65,675</b>               | <b>16,054</b>                | <b>77,722</b>             | <b>159,451</b>                      | <b>51,772</b>                         |
| <b>NET BOOK VALUE</b>            |                             |                              |                           |                                     |                                       |
| <b>At 31 August 2022</b>         | <b>100,211</b>              | <b>5,545</b>                 | <b>48,002</b>             | <b>153,758</b>                      | <b>12,251</b>                         |
| At 31 August 2021                | 116,800                     | 726                          | 59,717                    | 177,243                             | 20,898                                |

**9. FIXED ASSET INVESTMENTS**

| <b>GROUP AND CHARITY</b>                  | <b>Listed investments</b> |
|-------------------------------------------|---------------------------|
|                                           | <b>£</b>                  |
| <b>MARKET VALUE</b>                       |                           |
| At 1 September 2021 and at 31 August 2022 | 621                       |
| <b>NET BOOK VALUE</b>                     |                           |
| At 31 August 2022                         | 621                       |
| At 31 August 2021                         | 621                       |

There were no investment assets outside the UK.

**INVESTMENTS IN SUBSIDIARY**

|                                           | <b>£</b> |
|-------------------------------------------|----------|
| <b>COST</b>                               |          |
| At 1 September 2021 and at 31 August 2022 | 100      |

**9. FIXED ASSET INVESTMENTS (CONTINUED)**

| Subsidiaries included in consolidation | % of capital held | Net liabilities at 31 August 2022<br>£ | Profit for the year ended 31 August 2022<br>£ |
|----------------------------------------|-------------------|----------------------------------------|-----------------------------------------------|
| City Gateway Enterprises Limited       | 100%              | (6,023)                                | 131                                           |

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| GROUP                       | 2022<br>£      | 2021<br>£      |
|-----------------------------|----------------|----------------|
| Debtors                     | -              | -              |
| Accrued income              | 342,285        | 92,152         |
| Other debtors & prepayments | 26,528         | 56,215         |
|                             | <u>368,813</u> | <u>148,367</u> |

| CHARITY                     | 2022<br>£      | 2021<br>£      |
|-----------------------------|----------------|----------------|
| Debtors                     | -              | -              |
| Accrued income              | 342,285        | 92,152         |
| Other debtors & prepayments | 26,269         | 56,106         |
| Intercompany debtors        | 6,890          | 6,216          |
|                             | <u>375,445</u> | <u>154,474</u> |

**11a. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| GROUP                      | 2022<br>£      | 2021<br>£      |
|----------------------------|----------------|----------------|
| Trade creditors            | 83,462         | 16,408         |
| VAT                        | -              | (220)          |
| Other creditors            | 27,196         | 23,460         |
| Accruals                   | 18,934         | 117,196        |
| Deferred income            | 258,796        | 321,491        |
| Other loans (see note 11c) | 43,243         | 48,226         |
|                            | <u>431,631</u> | <u>526,561</u> |

| CHARITY                    | 2022<br>£      | 2021<br>£      |
|----------------------------|----------------|----------------|
| Trade creditors            | 83,462         | 16,408         |
| Other creditors            | 27,196         | 33,467         |
| Accruals                   | 18,934         | 116,096        |
| Deferred income            | 258,796        | 321,491        |
| Other loans (see note 11c) | 43,243         | 48,226         |
|                            | <u>431,631</u> | <u>535,688</u> |

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2022**

**11b. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| <b>GROUP AND CHARITY</b> | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|--------------------------|-------------------|-------------------|
| Accruals                 | 156,354           | 66,348            |
| Deferred income          | 116,608           | 196,553           |
| Other creditors          | -                 | 10,000            |
| Loans                    | 37,206            | 70,449            |
|                          | <u>310,168</u>    | <u>343,350</u>    |

**11c. MATURITY OF LOANS**

| <b>GROUP AND CHARITY</b>            |               | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|-------------------------------------|---------------|-------------------|-------------------|
| Loans repayable in one year or less | 43,243        | 48,226            | 37,972            |
| Between one and two years           | 13,932        | 37,243            | 41,118            |
| Between two and five years          | 23,274        | 30,555            | 27,557            |
| After more than five years          | -             | 2,651             | -                 |
|                                     | <u>80,449</u> | <u>118,675</u>    | <u>106,647</u>    |

The charity has two loans drawn down in 2019/20 which are unsecured and bearing interest at 8%.

**12. UNRESTRICTED FUNDS**

| <b>CHARITY</b>             | <b>At 1<br/>September<br/>2021<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>At 31<br/>August<br/>2022<br/>£</b> |
|----------------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|----------------------------------------|
| <b>Unrestricted funds:</b> |                                          |                     |                          |                                   |                                        |
| General funds              | 124,067                                  | 1,256,230           | (1,226,987)              | -                                 | 153,310                                |
|                            | <u>124,067</u>                           | <u>1,256,230</u>    | <u>(1,226,987)</u>       | <u>-</u>                          | <u>153,310</u>                         |

| <b>GROUP</b>               | <b>At 1<br/>September<br/>2021<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>At 31<br/>August<br/>2022<br/>£</b> |
|----------------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|----------------------------------------|
| <b>Unrestricted funds:</b> |                                          |                     |                          |                                   |                                        |
| General funds              | 117,821                                  | 1,256,522           | (1,227,149)              | -                                 | 147,194                                |
|                            | <u>117,821</u>                           | <u>1,256,522</u>    | <u>(1,227,149)</u>       | <u>-</u>                          | <u>147,194</u>                         |

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2022**

**13. RESTRICTED FUNDS**

| <b>GROUP AND CHARITY</b>           | <b>At 1<br/>September<br/>2021<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>At 31<br/>August<br/>2022<br/>£</b> |
|------------------------------------|------------------------------------------|---------------------|--------------------------|----------------------------------------|
| Awards for All                     | -                                        | 8,253               | (8,253)                  | -                                      |
| Centerbridge                       | -                                        | 83,333              | (83,333)                 | -                                      |
| Greater London Authority           | -                                        | 36,081              | (36,081)                 | -                                      |
| London Catalyst (Samaritan Grant)  | -                                        | 1,200               | (1,200)                  | -                                      |
| Ocean Regeneration Trust           | -                                        | 12,685              | (12,685)                 | -                                      |
| St James Place                     | -                                        | 30,000              | (30,000)                 | -                                      |
| The 29th May 1961 Charitable Trust | -                                        | 20,000              | (20,000)                 | -                                      |
| BBC Children in Need               | -                                        | 18,649              | (18,649)                 | -                                      |
| Good Things Foundation             | -                                        | 39,289              | (39,289)                 | -                                      |
| Charles Hayward Foundation         | -                                        | 25,000              | (25,000)                 | -                                      |
| The London Community Foundation    | -                                        | 109,325             | (109,325)                | -                                      |
| The Hobson Charity Limited         | -                                        | 9,430               | (9,430)                  | -                                      |
| Jack Petchey Foundation            | -                                        | 1,200               | (1,200)                  | -                                      |
| The Rayne Foundation               | -                                        | 7,850               | (7,850)                  | -                                      |
| <b>Total restricted funds</b>      | <b>-</b>                                 | <b>402,295</b>      | <b>(402,295)</b>         | <b>-</b>                               |

|                                    |                                                                           |
|------------------------------------|---------------------------------------------------------------------------|
| Awards for All                     | Family Support Worker & Holiday Programme                                 |
| Centerbridge                       | City Gateway 3 Year Growth Plan Support                                   |
| Greater London Authority           | Covid-19 response (Capital funding)                                       |
| London Catalyst (Samaritan Grant)  | To assist people in severe need.                                          |
| Ocean Regeneration Trust           | Support Women's programmes at Stepney Life Centre                         |
| St James Place                     | Student Support Programme                                                 |
| The 29th May 1961 Charitable Trust | Youth programme Support (NEET aged 16-24 who face multiple disadvantages) |
| BBC Children in Need               | Capital funding                                                           |
| Good Things Foundation             | Power Up 2.0 project                                                      |
| Charles Hayward Foundation         | Family support funding                                                    |
| The London Community Foundation    | Skill Up Step Up Employability Fund                                       |
| The Hobson Charity Limited         | Capital funding                                                           |
| Jack Petchey Foundation            | Learner support                                                           |
| The Ryne Foundation                | To Support an innovative remote work placements                           |

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2022**

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>GROUP</b>                           | <b>Unrestricted<br/>General<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Funds<br/>2022<br/>£</b> | <b>Total<br/>Funds<br/>2021<br/>£</b> |
|----------------------------------------|-------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Tangible Fixed assets                  | 153,758                                         | -                                 | 153,758                               | 177,243                               |
| Intangible Fixed assets                | 12,251                                          | -                                 | 12,251                                | 20,898                                |
| Investments                            | 621                                             | -                                 | 621                                   | 621                                   |
| Current assets                         | 722,363                                         | -                                 | 722,363                               | 788,970                               |
| Creditors due within one year          | (431,631)                                       | -                                 | (431,631)                             | (526,561)                             |
| Creditors due after more than one year | (310,168)                                       | -                                 | (310,168)                             | (343,350)                             |
| <b>Net assets at 31 August 2022</b>    | <b>147,194</b>                                  | <b>-</b>                          | <b>147,194</b>                        | <b>117,821</b>                        |

**15. CITY GATEWAY ENTERPRISES LIMITED**

City Gateway has a wholly owned subsidiary, City Gateway Enterprises Limited which was incorporated in the United Kingdom on 8 October 2012. A summary of its trading results is shown below. The investment in this subsidiary is included in the charity balance sheet at a value of £100. The net liabilities of the subsidiary are £6,023)

|                                 | <b>Year ended<br/>31 August<br/>2022<br/>£</b> | <b>Year ended<br/>31 August<br/>2021<br/>£</b> |
|---------------------------------|------------------------------------------------|------------------------------------------------|
| Turnover                        | 293                                            | 16,716                                         |
| Cost of sales                   | -                                              | -                                              |
| Gross profit                    | 293                                            | 16,716                                         |
| Administrative expenses         | (162)                                          | (16,598)                                       |
| Retained in the subsidiary      | 131                                            | 118                                            |
| Total assets of subsidiary      | 867                                            | 1,063                                          |
| Total liabilities of subsidiary | (6,890)                                        | (7,317)                                        |
| Equity shareholders' deficit    | (6,123)                                        | (6,254)                                        |
| Share capital                   | 100                                            | 100                                            |
| Net liabilities                 | (6,023)                                        | (6,154)                                        |

**16. GUARANTEE STATUS**

The company is limited by guarantee, which means that every member undertakes to contribute to the assets of the charity in the event of a winding up, such amounts as may be required not exceeding one pound.

## **17. OPERATING LEASE COMMITMENTS**

At 31 August 2022 the charity had commitments under non-cancellable operating leases as follows:

|                       | <b>Land and buildings</b> |                |
|-----------------------|---------------------------|----------------|
|                       | <b>2022</b>               | <b>2021</b>    |
|                       | <b>£</b>                  | <b>£</b>       |
| Less than 1 year      | 80,584                    | 193,402        |
| Between 2 and 5 years | 773,608                   | 177,285        |
| More than 5 years     | 209,519                   | -              |
| <b>Total</b>          | <b>1,063,711</b>          | <b>370,687</b> |

## **18. RELATED PARTY TRANSACTIONS**

Due to the nature of the Charity's operations and composition of its Trustees, it is possible that there will be transactions from time to time between the Charity and organisations with which Trustees of the Charity have a relationship. If such transactions do occur, they are conducted on an arm-length basis and in compliance with the Charity's Financial Regulations and Policies.

During the period, City Gateway engaged in the following transactions with the wholly owned subsidiary City Gateway Enterprises Limited:

- City Gateway Enterprises Limited recharged consultants' costs of £nil (2021: £14,325) to City Gateway during the year.
- As at 31 August 2022 a balance of £6,890 (2021: £2,703) was due from City Gateway Enterprises Ltd.

During the year purchases of £18,860 (2021: £nil) were made from a company where a family member of a City Gateway executive is the director and shareholder

## **19. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds and amounted to £62,323 (2021 - £58,256). At the year end there was an outstanding creditor of £5,543 (2021: £nil).

**20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

|                                    | <b>General funds</b> | <b>Restricted Funds</b> | <b>2021<br/>Total Funds</b> |
|------------------------------------|----------------------|-------------------------|-----------------------------|
|                                    | <b>£</b>             | <b>£</b>                | <b>£</b>                    |
| <b>Income</b>                      |                      |                         |                             |
| Donations and legacies             | 440,641              | 110,676                 | 551,317                     |
| Income from Investments            | 59                   | -                       | 59                          |
| Income from charitable activities  | 790,618              | 255,957                 | 1,046,575                   |
| <b>Total income</b>                | <b>1,231,318</b>     | <b>366,633</b>          | <b>1,597,951</b>            |
| <b>Expenditure</b>                 |                      |                         |                             |
| Charitable activities              | 1,205,631            | 381,099                 | 1,586,730                   |
| <b>Total expenditure</b>           | <b>1,205,632</b>     | <b>381,099</b>          | <b>1,586,730</b>            |
| <b>Net income/(expenditure)</b>    | <b>25,687</b>        | <b>(14,466)</b>         | <b>11,221</b>               |
| Total funds brought forward        | <b>92,134</b>        | 14,466                  | 106,600                     |
| <b>Total funds carried forward</b> | <b>117,821</b>       | <b>-</b>                | <b>117,821</b>              |

**CITY GATEWAY LIMITED**

England & Wales - Charity number 1078360

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# Accounts

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**REPORT OF THE TRUSTEES AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**FOR**

**CITY GATEWAY**

**Imagine a society where  
everyone reaches their full  
potential.**

**Where the future is not  
defined by the past or  
determined by the place a  
person starts.**

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## **City Gateway**

### **Contents of the financial statements for the year ended 31 August 2021**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**Registered Company number** 03760619 (England and Wales)

**Registered Charity number** 1078360

**Registered Office** The Pavilion 2 Clove Crescent London E14 2BE

#### **TRUSTEES**

Kenny Imafidon - Chairman  
Sean Greathead – Vice Chairman  
Kate Vintiner  
Yvonne Bajela  
Uchechi Okereke  
Clive Mills  
Adam Pizzey  
David Wesson (appointed 01<sup>st</sup> October 2020)

#### **CHIEF EXECUTIVE**

David Wesson (resigned 28<sup>th</sup> September 2020)  
Diane Betts (appointed 21<sup>st</sup> October 2020)

#### **Auditor**

Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton SM1 4FS

#### **Bank**

National Westminster Bank, PO Box 282, 216 Bishopsgate, London, EC2M 4QB

## **WHY WE DO WHAT WE DO?**

### Khloe,

I am a single mother and was running my beauty business from home as a part-time, self-employed worker. But then Covid-19 happened, and everything changed. I had always had plans to work in the corporate field, but I got pregnant and had a child before I could get into that. My biggest challenges were childcare needs, low self-confidence and poor employability skills. So, until my daughter grows older, I decided to boost my employability skills to get into work or an Apprenticeship.

I was applying for jobs and looking for Apprenticeship opportunities online when City Gateway just came up! So, I signed up to it along with so many other opportunities, but when City Gateway called me, we had a discussion about the opportunities they offer, and I decided to take the offer made to me because City Gateway looked good, and I liked what it offered to young people.

City Gateway is more practical than school. It applies directly to life and work, while school only prepares you for education. I loved Shema, my tutor, because she didn't treat us like kids. She genuinely prepared for teaching and talked to us about life in a very straightforward way.

City Gateway has helped me develop my self-confidence, with my CV and cover letter designed in a professional way as well as practically by coaching me to have excellent interview skills. It has changed my life because it has given me the confidence to step out into the world of work, and it gave me the opportunity I needed to build a positive network with other young people.

Through City Gateway, I now work as an Apprentice in Marketing, which has been great for me because I am able to earn a living, learn while prioritising being a mother to my daughter, and I have made many more friends during Covid-19 than I had before, at a time when others are lonely, busy with online education programmes. City Gateway helped me achieve the things I want to do by getting me into a job I really enjoy doing, with the possibility of building a career in the same role. I hope to progress with my work in Marketing.

I have definitely recommended City Gateway to all my friends and will still do so. Although it was a bit of a slow start at City Gateway, as I had a lot of repetitive questions, for example when creating personal plans and setting goals such as for long term, medium and short terms - but it all became useful to my life after I answered those questions, and as I went through the whole process, and it turned out to be necessary for building foundations.

### Learner A,

Before City Gateway, I was just lost. I didn't know where to go, or what to do. I was making applications, but I just couldn't get a job. It was my biggest challenge. I came across the City Gateway website when I was looking for an Apprenticeship. I decided to join because I felt like City Gateway could provide me with the help and guidance, I needed to progress into something useful for me.

I liked the programme because it provided me with lots of tips to find work, and the work placement [with NCDP] prepared me for the world of work and gave me the development experience I was lacking. City Gateway is very much different to school because it's a more relaxed and chilled environment. It's fun, as you meet new people, and the teaching style is more engaging. You are not treated as a child; you are treated as an adult. City Gateway has helped me overcome barriers, like my lack of experience and skills for work, and it helped me develop a CV that attracts employers, and with interview preparation. City Gateway has definitely positively changed my life. It has helped me find a job, I have learned new skills and I am more confident to progress with my career. I hope to stay in my job, and progress into a higher role within the company. I would recommend City Gateway because sometimes young people need help and support, which City Gateway can provide very well. I'd tell my friends to use every opportunity they get and make the best of it!



[/ Tyreek's Story - City Gateway](#)

## **WHAT WE DO**

City Gateway is a charity formed in 1999 by a group of City professionals who were concerned about unemployment in their local community.

We believe in empowering people to change their own future.

And by standing with them and supporting them to achieve those ambitions, that future can be as optimistic as they dare imagine. In Tower Hamlets today, over half of all children will wake up in poverty. Many families don't know where to turn and job opportunities for young people can be hard to access.

Possibilities are on the doorstep – literally. The affluence of Canary Wharf sits cheek-by-jowl with Tower Hamlets in East London, where we're based. Yet without help unlocking that potential, few will benefit.

This is where we step in, seeing potential – even well-hidden potential – working in some of London's communities most impacted by social and economic inequality. Our motivation and deeply held conviction is that by standing with people, providing practical input as they navigate sometimes huge obstacles, enables them to rewrite the story.

We provide support services, training courses, Traineeships and Apprenticeships for young people, readying them for the workplace. Through our network of placements with world-leading employers, we provide opportunities that give young people vital experience, much needed confidence and essential skills.

Last year we supported 211 young people on our Youth Programmes with an achievement rate of 61.4%. This was achieved through continuous support during the pandemic with a mix of online and face to face delivery. Our Target Population was 75% where 39% of learners were on low income and 24% had a personal debt of over £1,000.

Despite the ongoing challenges of Covid-19 the charity continues to deliver education, training and coaching programmes for students and pathways into sustainable employment with our partner employers. We are a gateway for our students to achieve their full potential.

## **ETHOS AND VALUES**

At City Gateway, we believe everyone is made equal and in the image of God. We strive to follow the example of Jesus, in loving and helping those excluded and in need in society. We celebrate diversity. We treat everyone with respect and honesty. We are ambitious. We seek excellence in all we do. And we are optimistic for the future.

## **THE NEED**

21% of young people are seeking jobs which is five times the national rate since the Covid pandemic struck despite job vacancies being at record high.

The capital's youth unemployment has soared by 55 per cent to 105,000 since the start of the pandemic with 21 per cent of young people seeking work jobless, a joint investigation by the Evening Standard and The Independent has revealed.

The figure is five times the national jobless rate of 4.3 per cent for all ages and is even higher among young women, with almost one in four of those aged 16 to 24 in London unemployed, according to the Office for National Statistics.

Most worrying is that 42 per cent of unemployed youths nationwide have been jobless for six months or more, with crushing consequences for their hopes and self-esteem.

## HOW WE DO WHAT WE DO

Young people have been caught in a storm. To get a sustainable job they need the right experience and skills. Work placements and apprenticeships provide this, but almost 80 per cent of entry-level apprenticeships and work placements were cut or paused due to Covid. As the job market opened up, there has been increased competition for entry level roles with two years' worth of school leavers and graduates looking. Combined with older workers returning to the labour market, the impact is pushed further down the chain.

## OUR IMPACT

**Our achievement rate last year was 61.4% despite the impact of Covid. 53% of our young people entered full time work (16+ hours) with 50 new employers. 25% of our young people progressed on to an apprenticeship with 23 new apprenticeship employers. 20% of our young people went on to Further Education or training with 20 of our referral partners.**

Before attending City Gateway, Tyreek was unsure about his future and struggling with a lack of opportunities due to Covid-19, but thanks to his remote work experience placement and the support he received from his tutors and coaches, Tyreek has now secured a Digital Social Media apprenticeship with the BBC. Here's his story...

"Before City Gateway I had recently finished sixth form and was arguing with myself – debating whether I should go on to university or apply for an apprenticeship. I didn't want to go to university as I didn't like the environment of school, but due to Covid it was a struggle for me to find an apprenticeship.

I was looking hard for an opportunity and kept applying for jobs and apprenticeships but because of Covid, they kept getting cancelled. Eventually, I found City Gateway. Covid was getting worse, there was nothing for me to do and I was sitting at home. Companies weren't hiring anymore, but City Gateway was an opportunity that was there for me, and I wanted to take it. I felt it was a good programme to kick-start my journey into an apprenticeship or employment."

**"All the staff have been friendly and supportive. From the very start of my time with City Gateway, from the first conversation where they asked me all those fundamental questions like, what do you want to do? It made me realise that I need to do a lot and make a lot of changes to get to where I want to be.**

"I joined the employability course and I started to understand that there are a lot of adjustments I can make to help me get there. I learned how to improve my CV and develop my own personal skills. Through practice interviews I realised I can develop and improve my confidence and communication skills to achieve that Apprenticeship.

I was accepted onto a work placement with NCDP in Digital Marketing. It was a new experience for me as I was able to understand a different type of job, and work in a fast-paced and competitive environment. We were all working and learning together in the same room, this was good because it made everyone work harder."

"Through City Gateway I had the opportunity to get a job as a photographer for Trilogy Enterprise and be mentored by an experienced photographer.

I've also been able to apply lessons from the Digital Marketing work placement with NCDP to my own photography social media accounts, such as how to plan social media content, how to grow the correct audience and speak to them professionally.

But my big break was when City Gateway worked with the BBC on an apprenticeship opportunity, which my coaches encouraged me to apply for. I was successful in my application, so I am now a Digital Social Media apprentice at the BBC!"

**"All of this has come about from one little opportunity that has grown so far. To others thinking about joining I would say: make sure to take any opportunity that comes towards you!"**

"I want to say a massive thank you to my coaches at City Gateway for giving me this opportunity, and to the BBC for taking me on as an apprentice. I am looking forward to taking this as an opportunity to grow, and to be mentored by Junior at the BBC. And thank you to all the City Gateway team for helping me achieve and supporting me throughout my journey."

## OUR PARTNERS

City Gateway's impact is only possible in collaboration with the future-thinking, generous organisations who partner with us. These organisations work with us to volunteer, fund our programmes and provide work placements (including remote work placements) and Apprenticeship opportunities in their teams for our aspirational, job-ready learners.

Impetus has played an instrumental role to City Gateway during the change of our CEO leadership. Each of our partners has made a significant contribution to changing lives in London in 2020/21 and we are truly grateful to all of them.

Below are just some of the partners that make our work possible:



If you would like to partner with us, please contact [partnership@citygateway.org.uk](mailto:partnership@citygateway.org.uk) for more information.

## **BOARD GOVERNANCE**

City Gateway is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28 April 1999. It is registered as a charity with the Charity Commission.

City Gateway has always and will continue to take its responsibilities of ensuring that its charitable activities contribute significantly to the lives of those we work with and specifically within the local areas in which those activities are undertaken. With reference to Charities Act 2011, all our charitable activities are directed towards having a lifelong impact on London and these activities are undertaken to further our charitable purposes for the public benefit.

Trustees are appointed on the basis of their skills and experience as well as their passion to further City Gateway's vision, mission and ethos. A mix of different skills and backgrounds is sought on the Board and for Board Working Groups.

All Trustees give their time voluntarily and receive no private benefit from the charity. The term of office for a Trustee is two terms of 3 years, extendable by invitation of the Chairman.

Newly appointed Trustees are briefed on their responsibilities and legal obligations under both charity and company law, the Memorandum and Articles of Association, the current Strategic Business Plan and given an overview of the recent financial performance. Each Trustee is given a particular role on a Board Working Group and is expected to attend all Trustee meetings. Trustees are encouraged to attend appropriate external training, where this facilitates the undertaking of their role.

Trustees are responsible for setting general policy, finalising and approving the annual plan and budget, monitoring the charity and taking major decisions about the strategic direction of the charity and capital expenditure. Trustees appoint the Chief Executive Officer ("CEO") to manage and lead the charity and agree a level of delegated authority. The CEO is accountable to the board of Trustees through the Chairman who has regular meetings with the CEO. The CEO is responsible for ensuring that the charity delivers its mission, and that key performance metrics of operational delivery are met. The remuneration of the CEO is approved annually by the Trustees.

## **TEAM**

City Gateway has an outstanding staff team of 30 led by Diane Betts.

We invite employers to help us change society for the better by stepping up with job or apprenticeship opportunities for the upskilling young people and the future workforce.

We know there is an incredible pool of hidden talent in this Covid cohort. Whilst our coaching model achieves positive outcomes for those on our programme, young people need support. It is our joint responsibility to improve individual life chances and unlock potential.

### **Diane Betts CEO City Gateway**

All our team have a passion for our students and achieving lasting transformational impact in their lives. They are just as passionate for serving our partners with excellence and for our culture of continuous improvement.

## **ACTIVITY IN THE YEAR 2020/21**

In the last year, City Gateway has continued to serve our students and continuously improve our operating processes as we seek to serve all our stakeholders with excellence, in sector leadership, both now and in the future.

For the past 20 years we have been supporting young men and women aged 16-24 through our Youth education and employment programmes. And since 2015 we have also been supporting women aged 18+ across East London through our dedicated Women's programme at our site in Stepney, supporting them to learn English, gain independence, grow in confidence, access employment and develop skills in a supportive community environment.

During this time, we have seen women from 18 to 81 years of age flourish and thrive. We have also offered support to their families, equipping them with the parenting skills and confidence they need to give their children a bright future. We are hugely proud of the support we have been able to give to women and families from a wide range of cultures and backgrounds.

However, due to a lack of funding and lease issues that we were unable to resolve after 12 years of supporting women and families in East London through our learning and development programmes we are sad to announce that our Women's Programmes in Stepney Life Centre has come to an end as of 15th December 2021.

While we are sad that the programme has come to an end, we are proud of the lasting change it has made for the women and families in the community.

We continue to support those most impacted by economic inequality in the local community through our Youth programme, which we continue to grow and strengthen as we recruit, and progress ever more young men and women aged 16-24 through our traineeship course.

We would like to take this opportunity to thank all our staff, volunteers and partners who have worked with us on the Women's and Family Support Programmes over the years. Each and every one of them have helped change women's and families' lives, and the legacy of their hard work will live on in the women and families who are now more confident, more skilled and more independent as a result of their influence.

## **FUTURE IMPACT PLAN FOR THE COMING YEARS**

The Trustees plan, in the future, to build on our mission and grow our impact to transform the life chances of Young People in London communities most impacted by social and economic inequality.

We continue to work with employers to place our students into Traineeship work placements leading to Apprenticeship outcomes, both on site and remotely to increase our financial sustainability.

We want to continue to improve progression into full time education or employment outcomes for all our students. We especially want to support our students into Apprenticeships, which uniquely allow us to continue to support, coach and train them whilst they complete their first 12/18 month's employment.

## **FINANCIAL REVIEW 2020/21**

The accounts contained in this report are presented in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)" - (Charities SORP (FRS 102)) and with relevant companies and charities legislation and regulations.

## City Gateway Trustees Report for the year ended 31 August 2021

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The Trustees report a year of excellent progress in 2020/21. Despite the challenges of Covid-19 the targets were achieved.

City Gateway's gross income from all sources, how this income was expended and the split of financial activity between restricted and unrestricted funds is shown in detail in the following pages. Annual income was £1.6m (2019/20: £1.7m). Our annual surplus in the year was £11k (2019/20 surplus of £8k). This surplus is a direct result of last year's investments in building expertise in the future strategic direction.

### Reserves

City Gateway is committed to using its resources in pursuit of its charitable activities. It is also committed to maintaining a level of reserves that is prudent to meet its on-going liabilities, sufficient to ensure that all service delivery commitments can be met and to protect the long-term sustainable future of operations. This commitment is in line with the Operational guidance No 43 (Charity Income Reserves) issued by the Charity Commission which seeks to guarantee financial security and ensure a sufficient level of reserves.

Free reserves cover has increased slightly in the year to £118k which corresponds to 1 month at year end (2019/20: 1 month). We report a cash position at year end of £641k. This equates to 4 months cover (2019/20: 4 months cover).

Our reserves policy is to aim to maintain sufficient cash reserves to cover at least 3 months future expenditure. This policy is regularly reviewed to ensure that it continues to be appropriate and sufficient.

### Risk management

We continue to assess, review, monitor and plan for all risks which the organisation may face, now or in the future. Our risk management strategy comprises a risk register of all aspects of the organisation and its activities, outlining possible risks which may occur, procedures to mitigate the risks identified and regular re-assessments both of the risks already outlined on the register and of potential new risks. This process raises awareness of risk and assists with the development of robust contingency plans.

### Key Risks

There has been a change to the funding landscape with increase in competition and reduction in funds available from usual sources as a result of Covid-19 & recession.

To mitigate this risk there has been a move to increase our statutory (ESFA) funding for our existing programmes including Traineeships. There has also been a focus on renewing existing partners as trends in Corporate Giving is to remain with the existing portfolio. We are also building strategic new partnerships to prepare them to support us in future delivery. In addition, we are broadening our funding packages and messaging to align with a greater number of opportunities including Covid specific funding packages and Innovation packages. We are also building a Fundraising Advisory Board to support the strategy and secure leads for the funding pipeline.

There has also been a change in the new employment and Apprenticeship market impacted by Covid-19.

We have successfully piloted delivering work placement opportunities online delivered with employer partners both large and SMEs. As a result of this more employers are committing to further work placement opportunities. We believe we are among the first, if not the very first, independent training provider to successfully deliver remote work placements leading to apprenticeships and job opportunities.

During the lockdown we shifted our focus to building an online hub that would not only support our learners when moving fully online but also to supplement the face-to-face teaching we deliver. We now have a live hub with content for maths, English, Employability and our Gateway learners as well as an opportunities section which lists current employment and apprenticeship vacancies.

We have also developed a fully on-line enrolment process to welcome new learners on board across all our delivery programmes.

**City Gateway**  
**Trustees Report for the year ended 31 August 2021**

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The Board have assessed Brexit and Covid-19 and concluded that this does not pose a specific risk to the organisation.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of City Gateway for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 income and expenditure of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, and to 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.

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditor is aware of that information.

ON BEHALF OF THE BOARD:



Kenny Imafidon  
**Trustee**

Date: 26 January 2022

**Opinion**

We have audited the financial statements of City Gateway ('the parent charity') and its subsidiary ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 state of the group's and the parent charity's affairs as at 31 August 2021 and of the group's 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 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 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 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 group's or the parent charity'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 other information comprises the information included in the Trustee's Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the Trustee's Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustee's Report has been prepared in accordance with applicable legal requirements.

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

In 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 Directors' Report included within the Report of the Trustees.

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 and proper 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 the directors of the parent charity 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 group's and the parent 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 financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

#### Use of the audit 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.

Signed:



**Nicola Wakefield (Senior Statutory Auditor)**

**For and on behalf of Mazars LLP**

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton SM1 4FS

Date: 23 February 2022

|                                    | Note         | General<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2021 Total<br>Funds<br>£ | 2020 Total<br>Funds<br>£<br>(note 21) |
|------------------------------------|--------------|-----------------------|--------------------------|--------------------------|---------------------------------------|
| <b>Income</b>                      |              |                       |                          |                          |                                       |
| Donations and legacies             | 2            | 440,641               | 110,676                  | 551,317                  | 980,811                               |
| Income from Investments            |              | 59                    | -                        | 59                       | 458                                   |
| Income from charitable activities  | 3            | 790,618               | 255,957                  | 1,046,575                | 733,109                               |
| <b>Total income</b>                |              | <b>1,231,318</b>      | <b>366,633</b>           | <b>1,597,951</b>         | <b>1,714,378</b>                      |
| <b>Expenditure</b>                 |              |                       |                          |                          |                                       |
| Charitable activities              | 4            | 1,205,631             | 381,099                  | 1,586,730                | 1,706,103                             |
| <b>Total expenditure</b>           |              | <b>1,205,631</b>      | <b>381,099</b>           | <b>1,586,730</b>         | <b>1,706,103</b>                      |
| <b>NET MOVEMENT IN FUNDS</b>       |              | <b>25,687</b>         | <b>(14,466)</b>          | <b>11,221</b>            | <b>8,275</b>                          |
| Total funds brought forward        |              | <b>92,134</b>         | <b>14,466</b>            | <b>106,600</b>           | <b>98,325</b>                         |
| <b>Total funds carried forward</b> | <b>12,13</b> | <b>117,821</b>        | <b>-</b>                 | <b>117,821</b>           | <b>106,600</b>                        |

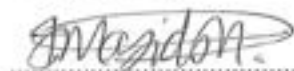
All amounts relate to continuing activities and there are no other gains or losses other than as disclosed in the statement of financial activities.

**City Gateway**  
**Consolidated Balance sheet at 31 August 2021**

|                                                 |             | <b>2021</b>      | <b>2020</b>      |
|-------------------------------------------------|-------------|------------------|------------------|
|                                                 | <b>Note</b> | <b>£</b>         | <b>£</b>         |
| <b>FIXED ASSETS</b>                             |             |                  |                  |
| Tangible assets                                 | 8           | 177,243          | 145,193          |
| Intangible assets                               | 8           | 20,898           | 10,852           |
| Investments                                     | 9           | <u>621</u>       | <u>621</u>       |
|                                                 |             | 198,762          | 156,666          |
| <b>CURRENT ASSETS</b>                           |             |                  |                  |
| Debtors: amounts falling due within one year 10 |             | 148,367          | 89,254           |
| Cash at bank and in hand                        |             | <u>640,603</u>   | <u>662,640</u>   |
|                                                 |             | 788,970          | 751,894          |
| <b>CREDITORS</b>                                |             |                  |                  |
| Amounts falling due within one year             | 11a         | <u>(526,561)</u> | <u>(317,135)</u> |
| <b>NET CURRENT ASSETS</b>                       |             | <u>262,409</u>   | <u>434,759</u>   |
| <b>CREDITORS</b>                                |             |                  |                  |
| Amounts falling due after more than one year    | 11b         | <u>(343,350)</u> | <u>(484,825)</u> |
| <b>NET ASSETS</b>                               |             | <u>117,821</u>   | <u>106,600</u>   |
| <b>FUNDS</b>                                    | 12,13       |                  |                  |
| Unrestricted funds                              |             | 117,821          | 92,134           |
| Restricted funds                                |             | <u>-</u>         | <u>14,446</u>    |
| <b>TOTAL FUNDS</b>                              |             | <u>117,821</u>   | <u>106,600</u>   |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and have been audited under the Companies Act 2006.

The financial statements were approved by the Board of Trustees on *26 January* 2022 and were signed on its behalf by:



**Kenny Imafidon**

**Trustee**

**City Gateway**  
**Charity Balance sheet at 31 August 2021**

|                                              | Note  | 2021<br>£      | 2020<br>£      |
|----------------------------------------------|-------|----------------|----------------|
| <b>FIXED ASSETS</b>                          |       |                |                |
| Tangible assets                              | 8     | 177,243        | 145,193        |
| Intangible assets                            | 8     | 20,898         | 10,852         |
| Investments                                  | 9     | 621            | 621            |
| Investment in subsidiary                     | 9     | <u>100</u>     | <u>100</u>     |
|                                              |       | 198,862        | 156,766        |
| <b>CURRENT ASSETS</b>                        |       |                |                |
| Debtors: amounts falling due within one year | 10    | 154,474        | 91,869         |
| Cash at bank and in hand                     |       | <u>639,796</u> | <u>656,196</u> |
|                                              |       | 794,243        | 748,065        |
| <b>CREDITORS</b>                             |       |                |                |
| Amounts falling due within one year          | 11a   | (535,688)      | (307,041)      |
| <b>NET CURRENT ASSETS</b>                    |       | <u>268,555</u> | <u>441,024</u> |
| <b>CREDITORS</b>                             |       |                |                |
| Amounts falling due after more than one year | 11b   | (343,350)      | (484,825)      |
| <b>NET ASSETS</b>                            |       | <u>124,067</u> | <u>112,965</u> |
| <b>FUNDS</b>                                 | 12,13 |                |                |
| General funds                                |       | 124,067        | 98,499         |
| Restricted funds                             |       | <u>-</u>       | <u>14,466</u>  |
| <b>TOTAL FUNDS</b>                           |       | <u>124,067</u> | <u>112,965</u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and have been audited under the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 16 January 22 and were signed on its behalf by:

  
 Kenny Imafidon

Trustee

|                                                     | 2021<br>£     | 2021<br>£        | 2020<br>£    | 2020<br>£      |
|-----------------------------------------------------|---------------|------------------|--------------|----------------|
| <b>Cash flows from operating activities</b>         |               |                  |              |                |
| <b>Net income</b>                                   | <b>11,221</b> |                  | <b>8,725</b> |                |
| Adjustments for:                                    |               |                  |              |                |
| Depreciation                                        | 54,810        |                  | 31,188       |                |
| Amortisation                                        | 15,896        |                  | 10,852       |                |
| Interest income                                     | (59)          |                  | (458)        |                |
| Trade and other debtors                             | (59,113)      |                  | (39,891)     |                |
| Trade and other creditors                           | 63,152        |                  | 274,313      |                |
|                                                     |               |                  |              |                |
| <b>Cash flows generated by operating activities</b> |               | <b>85,907</b>    |              | <b>284,279</b> |
|                                                     |               |                  |              |                |
| Purchase of property plant and equipment            | (86,860)      |                  | (654)        |                |
| Purchase of intangible fixed assets                 | (25,942)      |                  | -            |                |
| Interest received                                   | 59            |                  | 458          |                |
| Interest paid                                       | (7,228)       |                  | (5,677)      |                |
|                                                     |               |                  |              |                |
| <b>Cash flows used in investing activities</b>      |               | <b>(119,971)</b> |              | <b>(196)</b>   |
|                                                     |               |                  |              |                |
| New loans received in the year                      | 50,000        |                  | 110,000      |                |
| Loans repaid in the year                            | (37,972)      |                  | (3,353)      |                |
|                                                     |               |                  |              |                |
| <b>Cash generated by financing activities</b>       |               | <b>12,028</b>    |              | <b>106,647</b> |
|                                                     |               |                  |              |                |
| <b>Net (decrease) / increase in cash</b>            |               | <b>(22,037)</b>  |              | <b>390,730</b> |
| <b>Cash balance at 1 September</b>                  |               | <b>662,640</b>   |              | <b>271,910</b> |
|                                                     |               |                  |              |                |
| <b>Cash balance at 31 August</b>                    |               | <b>640,603</b>   |              | <b>662,640</b> |

## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

City Gateway meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Under s408 of the Companies Act 2006 the charitable company is exempt from the requirement to present its own Statement of Financial activities. The surplus for the year for the charitable parent company was £11,102 (2020: surplus of £7,771).

### Going concern

The trustees consider that it is appropriate for these financial statements to be prepared on the going concern basis given the level of assets and the forecast results for 2020/21.

The trustees have reviewed detailed cash flow projections to 31 January 2023. Both sources of income and types of expenditure have been reviewed including sensitivity analysis. **The charity is teaching students in person and our current funding partners remain committed to supporting delivery of our mission in the medium to long term.** The trustees have also considered the charity's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

### Income

All income is included on the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income received in advance on contracts, performance related grants and grants for future periods is carried through to the Balance Sheet as deferred income and included in creditors. Where it is probable that income received will be claimed back, this amount is included in the SOFA as an income provision and is also included on the Balance Sheet as a creditor.

### Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources.

### Intangible fixed assets

Software costs have been capitalised at historic cost and amortised on a straight-line basis between 2 years and 5 years.

### Tangible fixed assets

Depreciation is provided at rates calculated in order to write off each asset evenly over its estimated useful life. Individual items costing under £1,000 are written off on purchase. Estimated useful life of assets is as follows:

|                       |                               |
|-----------------------|-------------------------------|
| Leasehold properties  | -Over the period of the lease |
| Fixtures and fittings | -1 to 5 years                 |
| Computer equipment    | -3 years                      |
| Motor vehicles        | -5 years                      |

**1. ACCOUNTING POLICIES (CONTINUED)**

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are those unrestricted funds which the trustees have earmarked to be used for a particular purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

**Pension scheme**

The charitable company operates a defined contribution pension scheme, and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**2. VOLUNTARY INCOME**

|                                           | <b>2021</b><br><b>£</b> | <b>2020</b><br><b>£</b> |
|-------------------------------------------|-------------------------|-------------------------|
| Individual donations & Fundraising events | 37,161                  | 33,909                  |
| Corporate donations                       | 262,667                 | 863,603                 |
| Gifts in kind (see note 17)               | 7,319                   | 9,329                   |
| Other                                     | <u>244,170</u>          | <u>73,970</u>           |
|                                           | <u>551,317</u>          | <u>980,811</u>          |

Corporate donations include £110,676 (2020: £449,125) of restricted donations. All other balances in the current and prior year are unrestricted.

**3. INCOME FROM CHARITABLE ACTIVITIES**

|                                | <b>2021</b><br><b>£</b> | <b>2020</b><br><b>£</b> |
|--------------------------------|-------------------------|-------------------------|
| Statutory income               | 674,556                 | 408,110                 |
| Other grants and contracts     | 369,628                 | 315,356                 |
| Apprenticeship Training Agency | 2,391                   | 9,643                   |
|                                | <u>1,046,575</u>        | <u>733,109</u>          |

Other grants and contracts include £255,957 (2020: £307,356) of restricted income. All other balances in the current and prior year are unrestricted.

Statutory income relates to income received from the state or a statutory intermediary body.  
 Apprenticeship Training Agency income is income received from apprentice employers in respect of apprenticeship placements.

#### 4. EXPENDITURE ON CHARITABLE ACTIVITIES

|                                              | Young<br>People's<br>education,<br>training and<br>progression<br>£ | Family<br>programmes<br>£ | Apprentic-<br>eship<br>Training<br>Agency<br>£ | 2021<br>£        | 2020<br>£        |
|----------------------------------------------|---------------------------------------------------------------------|---------------------------|------------------------------------------------|------------------|------------------|
| Direct charitable activities                 | 490,295                                                             | 198,319                   | 178,286                                        | 866,900          | 777,676          |
| Support costs                                | 407,116                                                             | 164,674                   | 148,040                                        | 719,830          | 928,427          |
| <b>Total</b>                                 | <b>897,411</b>                                                      | <b>362,993</b>            | <b>326,326</b>                                 | <b>1,586,730</b> | <b>1,706,103</b> |
| <b>Support costs broken down by activity</b> |                                                                     |                           |                                                |                  |                  |
| Senior management                            | 76,778                                                              | 31,056                    | 27,919                                         | 135,753          | 184,298          |
| Finance & contract management                | 163,089                                                             | 65,968                    | 59,305                                         | 288,362          | 250,390          |
| Premises, Facilities & IT                    | 99,231                                                              | 40,138                    | 36,083                                         | 175,452          | 225,428          |
| HR & Staff development                       | 21,170                                                              | 8,563                     | 7,698                                          | 37,431           | 108,387          |
| Marketing & communication                    | 42,709                                                              | 17,275                    | 15,530                                         | 75,514           | 150,596          |
| Gift in kind: Professional services          | 4,139                                                               | 1,674                     | 1,505                                          | 7,319            | 9,329            |
| <b>Total support costs</b>                   | <b>407,116</b>                                                      | <b>164,674</b>            | <b>148,040</b>                                 | <b>719,830</b>   | <b>928,427</b>   |

Direct charitable activities include £381,099 of restricted expenditure (2020: £469,294) and Support costs includes £nil of restricted expenditure (2020: £272,721). All other balances in the current and prior years are unrestricted.

Please see note 17 for details of the gifts in kind.

Apportionment of support costs between activities is based on direct charitable activities.

The Apprenticeship Training Agency (ATA) offers services to employers to source, arrange and host their apprenticeships. The majority of expenditure associated with the ATA relates to the wages of hosted apprentices. City Gateway offers the employers it works with a choice of Hosted Employment of apprentices through the ATA or Direct Employment of apprentices. The value of expenditure associated with the ATA activities is dependent upon the choices made by employers.

Total expenditure related to ATA activities has decreased by £18,979 from £167,019 in 2020.

#### 5a. GOVERNANCE COSTS (included in Support Costs above)

|                      | 2021<br>£ | 2020<br>£ |
|----------------------|-----------|-----------|
| Auditor remuneration | 16,152    | 14,975    |

**5b. NET INCOME / (EXPENDITURE)**

Net movements in funds are stated after charging:

|                                          | <b>2021</b>    | <b>2020</b>    |
|------------------------------------------|----------------|----------------|
|                                          | <b>£</b>       | <b>£</b>       |
| Auditor's remuneration – audit fees      | 16,152         | 14,975         |
| Depreciation/amortisation - owned assets | 70,706         | 42,040         |
| Other operating leases                   | <u>127,963</u> | <u>139,978</u> |

**6. TRUSTEES' REMUNERATION AND BENEFITS**

The Chair was not paid during the year ended 31 August 2021 or the year ended 31 August 2020. No other trustee received any remuneration during the current or prior years.

**Trustees' Expenses**

No trustees claimed expenses during the year ended 31 August 2021 or the year ended 31 August 2020.

**7. STAFF COSTS**

|                    | <b>2021</b>      | <b>2020</b>      |
|--------------------|------------------|------------------|
|                    | <b>£</b>         | <b>£</b>         |
| Wages and salaries | 918,773          | 1,016,563        |
| Social security    | 87,568           | 93,432           |
| Pension            | 58,256           | 62,000           |
| Redundancy costs   | -                | 8,223            |
| Other staff costs  | <u>32,319</u>    | <u>78,964</u>    |
|                    | <u>1,096,916</u> | <u>1,259,182</u> |

The average monthly number of employees during the year was as follows:

|                 | <b>2021 No.</b> | <b>2020 No.</b> |
|-----------------|-----------------|-----------------|
| Permanent staff | <u>30</u>       | <u>32</u>       |
|                 | <u>30</u>       | <u>32</u>       |

Employees who earned more than £60,000 p.a. are as follows:

|                     | <b>2021 No.</b> | <b>2020 No.</b> |
|---------------------|-----------------|-----------------|
| £60,001 - £70,000   | 1               | 1               |
| £70,000 - £80,000   | 1               | -               |
| £120,001 – £130,000 | -               | 1               |
|                     | <u>2</u>        | <u>2</u>        |

Key management personnel comprises the Chief Executive Office and Directors. The total employee benefits of the key management personnel of the charity were £324,489 (2020: £290,918).

8. TANGIBLE & INTANGIBLE FIXED ASSETS

| GROUP & CHARITY                  | Leasehold Properties | Fixtures and fittings | Computer Equipment | Tangible Fixed Assets Totals | Intangible Fixed Assets Totals |
|----------------------------------|----------------------|-----------------------|--------------------|------------------------------|--------------------------------|
|                                  | £                    | £                     | £                  | £                            | £                              |
| <b>COST</b>                      |                      |                       |                    |                              |                                |
| At 1 September 2020              | 165,886              | 15,039                | 20,002             | 200,927                      | 38,081                         |
| Additions                        | -                    | -                     | 86,860             | 86,860                       | 25,942                         |
| Disposals                        | -                    | -                     | -                  | -                            | -                              |
| <b>At 31 August 2021</b>         | <b>165,886</b>       | <b>15,039</b>         | <b>106,862</b>     | <b>287,787</b>               | <b>64,023</b>                  |
| <b>DEPRECIATION/AMORTISATION</b> |                      |                       |                    |                              |                                |
| At 1 September 2020              | 32,497               | 9,889                 | 13,348             | 55,734                       | 27,229                         |
| Charge for the year              | 16,589               | 4,424                 | 33,797             | 54,810                       | 15,896                         |
| Released on disposal             | -                    | -                     | -                  | -                            | -                              |
| <b>At 31 August 2021</b>         | <b>49,086</b>        | <b>14,313</b>         | <b>47,145</b>      | <b>110,544</b>               | <b>43,125</b>                  |
| <b>NET BOOK VALUE</b>            |                      |                       |                    |                              |                                |
| <b>At 31 August 2021</b>         | <b>116,800</b>       | <b>726</b>            | <b>59,717</b>      | <b>177,243</b>               | <b>20,898</b>                  |
| <b>At 31 August 2020</b>         | <b>133,389</b>       | <b>5,150</b>          | <b>6,654</b>       | <b>145,193</b>               | <b>10,852</b>                  |

9. FIXED ASSET INVESTMENTS

GROUP AND CHARITY

MARKET VALUE

At 1 September 2020 and at 31 August 2021

Listed  
investments  
£

621

NET BOOK VALUE

At 31 August 2021

621

At 31 August 2020

621

There were no investment assets outside the UK.

INVESTMENTS IN SUBSIDIARY

COST

At 1 September 2020 and at 31 August 2021

£

100

**9. FIXED ASSET INVESTMENTS (CONTINUED)**

| Subsidiaries included in consolidation | Activities                                  | % of capital held | Net liabilities at 31 August 2021<br>£ | Profit for the year ended 31 August 2021<br>£ |
|----------------------------------------|---------------------------------------------|-------------------|----------------------------------------|-----------------------------------------------|
| City Gateway Enterprises Limited       | Operation of Apprenticeship Training Agency | 100%              | (6,254)                                | 118                                           |

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| GROUP          | 2021<br>£      | 2020<br>£     |
|----------------|----------------|---------------|
| Debtors        | -              | 19,081        |
| Accrued income | 92,152         | 36,098        |
| Other debtors  | 56,215         | 34,075        |
|                | <u>148,367</u> | <u>89,254</u> |

| CHARITY              | 2021<br>£      | 2020<br>£     |
|----------------------|----------------|---------------|
| Debtors              | -              | 19,081        |
| Accrued income       | 92,152         | 36,098        |
| Other debtors        | 56,106         | 33,887        |
| Intercompany debtors | 6,216          | 2,803         |
|                      | <u>154,474</u> | <u>91,869</u> |

**11a. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| GROUP                      | 2021<br>£      | 2020<br>£      |
|----------------------------|----------------|----------------|
| Trade creditors            | 16,408         | 43,110         |
| VAT                        | (220)          | (840)          |
| Other creditors            | 23,460         | 23,948         |
| Accruals                   | 117,196        | 105,382        |
| Deferred income            | 321,491        | 107,563        |
| Other loans (see note 11c) | 48,226         | 37,972         |
|                            | <u>526,561</u> | <u>317,135</u> |

| CHARITY                    | 2021<br>£      | 2020<br>£      |
|----------------------------|----------------|----------------|
| Trade creditors            | 16,408         | 41,910         |
| Other creditors            | 23,467         | 23,955         |
| Accruals                   | 116,096        | 98,032         |
| Deferred income            | 321,491        | 105,172        |
| Other loans (see note 11c) | 48,226         | 37,972         |
|                            | <u>525,688</u> | <u>307,041</u> |

**11b. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| GROUP AND CHARITY | 2021<br>£      | 2020<br>£      |
|-------------------|----------------|----------------|
| Accruals          | 66,348         | 127,591        |
| Deferred income   | 196,553        | 278,559        |
| Other creditors   | 10,000         | 10,000         |
| Loans             | 70,449         | 68,675         |
|                   | <u>343,350</u> | <u>484,825</u> |

**11c. MATURITY OF LOANS**

| GROUP AND CHARITY                   | 2021<br>£      | 2020<br>£      |
|-------------------------------------|----------------|----------------|
| Loans repayable in one year or less | 48,226         | 37,972         |
| Between one and two years           | 37,243         | 41,118         |
| Between two and five years          | 30,555         | 27,557         |
| After more than five years          | 2,651          | -              |
|                                     | <u>118,675</u> | <u>106,647</u> |

The charity has two loans drawn down in 2019/20 which are unsecured and bearing interest at 8%.

**12. UNRESTRICTED FUNDS**

| CHARITY             | At 1<br>September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | At 31<br>August<br>2021<br>£ |
|---------------------|--------------------------------|------------------|--------------------|--------------------------|------------------------------|
| Unrestricted funds: |                                |                  |                    |                          |                              |
| General funds       | 98,499                         | 1,228,926        | (1,203,358)        | -                        | 124,067                      |
|                     | <u>98,499</u>                  | <u>1,228,926</u> | <u>(1,203,358)</u> | <u>-</u>                 | <u>124,067</u>               |

| GROUP               | At 1<br>September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | At 31<br>August<br>2021<br>£ |
|---------------------|--------------------------------|------------------|--------------------|--------------------------|------------------------------|
| Unrestricted funds: |                                |                  |                    |                          |                              |
| General funds       | 92,134                         | 1,231,318        | (1,205,631)        | -                        | 117,821                      |
|                     | <u>92,134</u>                  | <u>1,231,318</u> | <u>(1,205,631)</u> | <u>-</u>                 | <u>117,821</u>               |

13. RESTRICTED FUNDS

| GROUP AND CHARITY                              | At 1<br>September<br>2020<br>£ | Income<br>£    | Expenditure<br>£ | At 31<br>August<br>2021<br>£ |
|------------------------------------------------|--------------------------------|----------------|------------------|------------------------------|
| All Churches Trust                             | -                              | 12,500         | (12,500)         | -                            |
| Arnold Clark Automobiles Limited               | -                              | 750            | (750)            | -                            |
| Awards for All                                 | -                              | 1,650          | (1,650)          | -                            |
| Bank Workers Charity                           | -                              | 250            | (250)            | -                            |
| Berkeley Foundation                            | -                              | 16,819         | (16,819)         | -                            |
| Centerbridge                                   | -                              | 41,667         | (41,667)         | -                            |
| Charles F French Charitable Trust              | -                              | 2,648          | (2,648)          | -                            |
| Ford Britain Trust                             | -                              | 2,304          | (2,304)          | -                            |
| Greater London Authority                       | -                              | 24,009         | (24,009)         | -                            |
| L&Q                                            | -                              | 15,000         | (15,000)         | -                            |
| Lady Fatemah Trust                             | -                              | 4,000          | (4,000)          | -                            |
| London Catalyst (Samaritan Grant)              | -                              | 1,000          | (1,000)          | -                            |
| Man Group                                      | -                              | 45,000         | (45,000)         | -                            |
| Ocean Regeneration Trust                       | -                              | 34,886         | (34,886)         | -                            |
| Parent Zone                                    | -                              | 1,000          | (1,000)          | -                            |
| Serco Foundation                               | -                              | 5,000          | (5,000)          | -                            |
| St James Place                                 | -                              | 30,000         | (30,000)         | -                            |
| State Street                                   | -                              | 100,000        | (100,000)        | -                            |
| Street Games                                   | -                              | 300            | (300)            | -                            |
| The 28 <sup>th</sup> May 1961 Charitable Trust | -                              | 20,000         | (20,000)         | -                            |
| The Clothworkers' Foundation                   | 14,466                         | -              | (14,466)         | -                            |
| The Rayne Foundation                           | -                              | 7,850          | (7,850)          | -                            |
| <b>Total restricted funds</b>                  | <b>14,466</b>                  | <b>366,633</b> | <b>(381,099)</b> | <b>-</b>                     |

|                                   |                                                    |
|-----------------------------------|----------------------------------------------------|
| All Churches Trust                | Mental Health and counselling support              |
| Arnold Clark Automobiles Limited  | Family Support Holiday programme                   |
| Awards for All                    | Family Support Worker & Holiday Programme          |
| Bank Workers Charity              | Contribution towards the cost of an apprenticeship |
| Berkeley Foundation               | Youth programme Support                            |
| Centerbridge                      | City Gateway 3 Year Growth Plan Support            |
| Charles S French Charitable Trust | Youth programme Gateway activities support         |
| Ford Britain Trust                | Refurbished laptops the learners                   |
| Greather London Authority         | Covid-19 response (Capital funding)                |
| L&Q                               | Employability programme Support                    |
| Lady Fatemah Trust                | Capital support to Youth Programme                 |
| London Catalyst (Samaritan Grant) | To assist people in severe need.                   |
| Man Group                         | Youth programme Support                            |
| Ocean Regeneration Trust          | Support Women's programmes at Stepney Life Centre  |

**13. RESTRICTED FUNDS (CONTINUED)**

|                                    |                                                                           |
|------------------------------------|---------------------------------------------------------------------------|
| Parent Zone                        | Support Women's programmes                                                |
| Serco Foundation                   | Apprenticeship delivery Support                                           |
| St James Place                     | Student Support Programme                                                 |
| State Street                       | Youth programme Support                                                   |
| Street Games                       | Donation to purchase 12 x headsets                                        |
|                                    | Youth programme Support (NEET aged 16-24 who face multiple disadvantages) |
| The 29th May 1961 Charitable Trust |                                                                           |
| The Clothworkers' Foundation       | Covid-19 response                                                         |
| The Rayne Foundation               | To Support an innovative remote work placement                            |

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>GROUP</b>                           | <b>Unrestricted<br/>General<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Funds<br/>2021<br/>£</b> | <b>Total<br/>Funds<br/>2020<br/>£</b> |
|----------------------------------------|-------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Tangible Fixed assets                  | 177,243                                         | -                                 | 177,243                               | 145,193                               |
| Intangible Fixed assets                | 20,898                                          | -                                 | 20,898                                | 10,852                                |
| Investments                            | 621                                             | -                                 | 621                                   | 621                                   |
| Current assets                         | 788,970                                         | -                                 | 788,970                               | 751,894                               |
| Creditors due within one year          | (526,561)                                       | -                                 | (526,561)                             | (317,135)                             |
| Creditors due after more than one year | (343,350)                                       | -                                 | (343,350)                             | (484,825)                             |
| <b>Net assets at 31 August 2021</b>    | <b>117,821</b>                                  | <b>-</b>                          | <b>117,821</b>                        | <b>106,600</b>                        |

# **15. CITY GATEWAY ENTERPRISES LIMITED**

City Gateway has a wholly owned subsidiary, City Gateway Enterprises Limited which was incorporated in the United Kingdom on 8 October 2012. A summary of its trading results is shown below. The investment in this subsidiary is included in the charity balance sheet at a value of £100. The net liabilities of the subsidiary are £6,254)

|                                 | Year ended<br>31 August<br>2021 | Year ended<br>31 August<br>2020<br>£ |
|---------------------------------|---------------------------------|--------------------------------------|
| Turnover                        | 16,716                          | 50,343                               |
| Cost of sales                   | -                               | (28)                                 |
| Gross profit                    | 16,716                          | 50,315                               |
| Administrative expenses         | (16,598)                        | (49,810)                             |
| Retained in the subsidiary      | 118                             | 505                                  |
| Total assets of subsidiary      | 1,063                           | 7,373                                |
| Total liabilities of subsidiary | (7,317)                         | (13,745)                             |
| Equity shareholders' deficit    | (6,254)                         | (6,372)                              |
| Share capital                   | 100                             | 100                                  |
| Net liabilities                 | (6,154)                         | (6,272)                              |

# **16. GUARANTEE STATUS**

The company is limited by guarantee, which means that every member undertakes to contribute to the assets of the charity in the event of a winding up, such amounts as may be required not exceeding one pound.

# **17. GIFTS IN KIND**

During the year the charity received services in kind from corporate supporters. These services included room hire for various events, a strategy review and legal advice throughout the year as well as various other kinds of support. Specific items have been detailed below; other services have not been included in the financial statements because the trustees have not been able to accurately assess what the value of these gifts amounts to.

|                                 | 2021<br>£    | 2020<br>£    |
|---------------------------------|--------------|--------------|
| Goodwin Proctor LLP             | 1,239        | -            |
| Benjamin Ball Associates        | 3,600        | -            |
| Inflexion                       | -            | 3,600        |
| Sherwood PSF Consulting Limited | 2,480        | 3,000        |
| Dentons LLP                     | -            | 1,929        |
| Eden McCallum LLP               | -            | 800          |
| <b>Total</b>                    | <b>7,319</b> | <b>9,329</b> |

**18. OPERATING LEASE COMMITMENTS**

At 31 August 2021 the charity had commitments under non-cancellable operating leases as follows:

|                       | <b>Land and buildings</b> |                |
|-----------------------|---------------------------|----------------|
|                       | <b>2021</b>               | <b>2020</b>    |
|                       | <b>£</b>                  | <b>£</b>       |
| Less than 1 year      | 193,402                   | 161,168        |
| Between 2 and 5 years | 177,285                   | 419,038        |
| <b>Total</b>          | <b>370,687</b>            | <b>580,206</b> |

**19. RELATED PARTY TRANSACTIONS**

Due to the nature of the Charity's operations and composition of its Trustees, it is possible that there will be transactions from time to time between the Charity and organisations with which Trustees of the Charity have a relationship. If such transactions do occur, they are conducted on an arm-length basis and in compliance with the Charity's Financial Regulations and Policies.

During the period, City Gateway engaged in the following transactions with the wholly owned subsidiary City Gateway Enterprises Limited:

- City Gateway received distributions of £nil (2020: £nil) from City Gateway Enterprises Limited.
- City Gateway Enterprises Limited recharged consultants' costs of £14,325 (2020: £40,700) to City Gateway during the year.
- As at 31 August 2021 a balance of £6,216 (2020: £2,803) was due from City Gateway Enterprises Ltd.

**20. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds and amounted to £58,256 (2020 - £62,000). At the year end there were outstanding refunds of £nil (2020: £nil).

**21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

|                                    | General funds<br>£ | Restricted<br>Funds<br>£ | 2020<br>Total Funds<br>£ |
|------------------------------------|--------------------|--------------------------|--------------------------|
| <b>Income</b>                      |                    |                          |                          |
| Donations and legacies             | 531,686            | 449,125                  | 980,811                  |
| Income from Investments            | 458                | -                        | 458                      |
| Income from charitable activities  | 425,753            | 307,356                  | 733,109                  |
| <b>Total income</b>                | <b>957,897</b>     | <b>756,481</b>           | <b>1,714,378</b>         |
| <b>Expenditure</b>                 |                    |                          |                          |
| Charitable activities              | 964,088            | 742,015                  | 1,706,103                |
| <b>Total expenditure</b>           | <b>964,088</b>     | <b>742,015</b>           | <b>1,706,103</b>         |
| <b>Net (expenditure)/income</b>    | <b>(6,191)</b>     | <b>14,466</b>            | <b>8,275</b>             |
| Total funds brought forward        | 98,325             | -                        | 98,325                   |
| <b>Total funds carried forward</b> | <b>92,134</b>      | <b>14,466</b>            | <b>106,600</b>           |

**CITY GATEWAY LIMITED**

England & Wales - Charity number 1078360

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# Accounts

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**REPORT OF THE TRUSTEES AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**FOR**

**CITY GATEWAY**

Imagine a society where  
everyone reaches their full  
potential.

Where the future is not  
defined by the past or  
determined by the place a  
person starts.



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## **City Gateway**

### **Contents of the financial statements for the year ended 31 August 2020**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**Registered Company number** 03760619 (England and Wales)

**Registered Charity number** 1078360

**Registered Office** The Pavilion 2 Clove Crescent London E14 2BE

#### **TRUSTEES**

Kenny Imafidon - Chairman  
Sean Greathead – Vice Chairman  
Kate Vintiner  
Yvonne Bajela  
Uchechi Okereke (appointed 30<sup>th</sup> April 2020)  
Clive Mills (appointed 30<sup>th</sup> April 2020)  
Adam Pizzey (appointed 30<sup>th</sup> April 2020)  
David Wesson (appointed 01<sup>st</sup> October 2020)  
Kate Monkhouse (resigned 30<sup>th</sup> October 2019)  
Edward Boyd (resigned 29<sup>th</sup> January 2020)  
Deepak Mahtani (resigned 12<sup>th</sup> April 2020)

#### **CHIEF EXECUTIVE**

David Wesson (resigned 28<sup>th</sup> September 2020)  
Diane Betts (appointed 21<sup>st</sup> October 2020)

#### **Auditor**

Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton SM1 4FS

#### **Bank**

National Westminster Bank, PO Box 282, 216 Bishopsgate, London, EC2M 4QB

## **WHY WE DO WHAT WE DO?**

"Before attending City Gateway, I was previously studying BTEC Business Level 3 in sixth form. After sixth form I wanted to progress onto an apprenticeship. I started to research different apprenticeships that would allow me to gain a maths qualification alongside. I found City Gateway who helped me gain a maths qualification and provided me with work experience and employability classes to ensure I'm work ready. Employability classes allowed me to practice my interview techniques and feel more confident when being interviewed by an employer. I have also updated my CV and have practiced how to write a cover letter. I have developed my confidence from being a City Gateway learner through the support of the coaches. I have developed professionally as now I am more confident within myself; I feel more confident when being interviewed, I have work experience similar to the future apprenticeship I would like to do. My work experience at IBM allowed me to feel confident within the workplace along with having a day in the life of working in an office environment. This experience has taught me new skills alongside gaining new experience I can detail in my CV. My future aspirations are to gain an apprenticeship in admin, marketing or events. I would recommend City Gateway to my friends as City Gateway will also support you with your future career path if you are unaware of the job you would want. You are also supported by coaches who want the best for you and will push you to do your best". **K.C.**

"I was working for a short time, but when that role was no longer available, I decided to go to City Gateway. I attended because I wanted to tune up my employability skills so I could be more focused about my future career. I found that the coaches at City Gateway were so supportive of me, they helped me to fine tune certain skills, and see things from different perspectives. This has been helpful in all areas of my life not just in the workplace.

Because of being at City Gateway I got a better idea about what I want to do in the future. I was interested in tailoring as a profession, or finance. The employability tutor spent time with me to think about and explore these interests in depth. I got to really understand what it would be like to work in tailoring at Saville Row and what would be required for me to work in this area. This was really important to me. City Gateway also helped me to think about apprenticeships in finance. Since my time at City Gateway, I have found a job as a finance assistant for a PR company, which I have been in for over 6 months now. If you are looking to start out and not sure where to begin, I would say City Gateway is the best way to establish where you are at in terms of work readiness and with their employability support they will build you up to the point where you are confident to apply for jobs in your area of interest" **C.W.**

"I was working full time within Retail which I enjoyed as it was a fast paced environment. I left Retail as I wanted to put more time into career planning and go back to education. I chose City Gateway as I wanted to pursue an Apprenticeship in Digital Marketing and it seemed like the best option for me. City Gateway supported me in gaining my Maths at Level 2 as well as work readiness and employability skills. I find the Gateway helpful as it is informative and allows me to gain an insight to employment and training options available. I feel that I developed personally in terms of my confidence levels with regards to presenting and throughout my time at City Gateway, I had the opportunity to build on this. I have also been able to manage my time better due to the commute to and from City Gateway. My future aspiration is to either work within the media or fashion industry as a Fashion/Personal Stylist or within digital marketing. What I would say to my friends about City Gateway is regarding the staff as they are very helpful and take the time to provide advice and information with regards to work, skills development or course information." **S.R.**

"I came to City Gateway because I wanted to do an apprenticeship but I didn't achieve my maths and came to realise that I need to complete that to work my way towards an apprenticeship. I was at college beforehand, doing a media course and trying to find a job or get into a career, but with no luck.

Since coming to City Gateway, I feel so much more confident, though initially I was shy. I feel that during my time here, my peers, tutors and coach have helped me to build up my confidence. Then I passed my maths exam and that gave me an extra boost.

## City Gateway

### Trustees Report for the year ended 31 August 2020

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I feel I have developed in how I present myself; I understand how to behave in a professional environment. I learned about personal branding, and I can see how I can use that to make myself more employable.

I have started to re-think my future plans, as originally I was going to do an apprenticeship in Cyber Security however I feel I don't want to be limited just to that sector, so I've decided to go to university and study creative computing which opens up the field more. Right now my coach is helping with my UCAS and personal statement by providing support.

City Gateway will be the best option to help you to overcome any struggles you may have had. They give you all types of support; pastoral, educational and work experience." **K.R.**

"I really struggled throughout the lockdown as being a single mum of one it was hard to know where to find information. Hannah and Kate really helped me by helping me fill out the application form for my son's nursery as well as helping me to understand my council tax letter. Since leaving an abusive relationship with my ex-husband it's been really hard to learn how to manage a household by myself especially as I had only moved to the UK two years before the split. City Gateway has really helped me get back on my feet and they feel like my other family."

#### **Anonymous Learner**

"Over the lockdown period, the majority of my time was spent at home providing care to my mum, as I am her full-time carer. I had recently completed a traineeship within the NHS just before the lockdown. But the lockdown significantly decreased my employment prospects and I felt like I did not make progress into employment or an apprenticeship as I had hoped.

Towards the end of lockdown, around the start of September, I developed a keen interest in connecting with City Gateway as I was passionate in getting back to work. I knew previously about City Gateway's strong reputation in helping young people get into apprenticeships – particularly within Business Administration. I applied online for their Employability course as soon as I noticed that they were taking on learners. I felt like City Gateway was my last hope, to help me find work as many other employment and training institutes were still closed due to covid-19.

I successfully completed my Employability course which has helped me gain many practical and transferable skills that are essential within a professional working environment. This includes possessing professionalism, knowing how to work in an office environment, team work, and excelling at time management to meet deadlines. Following this, I moved into the Gateway, this is when your coach works with you on an individual basis to help you get into your desired career path or a specific job within your chosen industry.

I am happy to say that I am due to start my apprenticeship as a HR Admin Apprentice at East London NHS Foundation Trust. This wouldn't have been possible without City Gateway or my employment coach Monique, who motivated and provided me with ongoing support in making successful job applications. She never gave up on me and was a big support on my journey to employment.

City Gateway has had a huge impact on my life and has positively changed my life for the better. Prior to City Gateway, my life lacked direction in terms of my career path and with the uncertainty of the pandemic, I was extremely worried and concerned for my future. My mental health was badly affected by this. However, after coming to City Gateway, doors opened up for me and I finally feel I had got my life back on track.

City Gateway equips you with the skillset and mind frame you need to go out into the real world and make a difference. You leave as a changed person. I can't thank City Gateway enough for this life-changing experience and will forever be grateful to them for setting me on my career path. I would definitely recommend City Gateway to each and every young person who is looking to start their career or even gain their first entry level job." **M.J.**

"I was in college studying things like physics that felt really pointless. I found that I struggled to be motivated and couldn't see how these subjects would help me in the long run. I decided I needed a new direction and being signposted to City Gateway changed things for me. I had become disillusioned with education and thought that going to City Gateway might be a step to getting an apprenticeship.

**City Gateway**  
**Trustees Report for the year ended 31 August 2020**

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I joined the short course and when we went into lockdown, I attended sessions over zoom and coaching over the phone. City Gateway helped me by showing me how an apprenticeship works and how it can lead to a career. It was the push I needed after feeling so frustrated in education. The short course felt extremely relevant to me and helped me to focus on I.T. which is where my interest is. Because of this support, I was able to secure an apprenticeship as an Infrastructure Technician, which is I.T. support and networking.

When I think about my time here, this is how I would describe it: imagine a road with a left and a right turn. City Gateway is the sign that tells you where to go! It helps you achieve your dreams a lot easier. I wouldn't have known I can learn and actually do what I am interested in, otherwise I would be stuck in school doing quadratic equations! So I would say it has changed things for me in a big way". **M.L.**





## **WHAT WE DO**

City Gateway is a charity formed in 1999 by a group of City professionals who were concerned about unemployment in their local community.

We serve people most impacted by social and economic inequality. We seek to transform those communities by improving individuals' life chances. We specifically work with Young People aged 16 to 24 and Women of all ages from disadvantaged communities in London, delivering programmes that enable positive, sustained outcomes in education and employment.

At the same time, our work helps address first-hand the cycles of mental health, abuse, violent crime and gang culture. And we champion collaboration with socially responsible businesses to: drive equality of access to employment, increase diversity and inclusion in talent pools, seek to address future skills shortages and drive economic growth in London.

Despite the challenges of Covid-19 and a temporary pause in our delivery in March 2020 the charity continues to deliver education, training and coaching programmes for students and pathways into sustainable employment with our partner employers. We are a gateway for our students to achieve their full potential.

## **ETHOS AND VALUES**

At City Gateway, we believe everyone is made equal and in the image of God. We strive to follow the example of Jesus, in loving and helping those excluded and in need in society. We celebrate diversity. We treat everyone with respect and honesty. We are ambitious. We seek excellence in all we do. And we are optimistic for the future.

## **THE NEED**

The employment landscape is challenging for disadvantaged youth in London due to the effects of Covid-19. Young Londoners are more likely to be out of education, employment or training than the national average. - *London Councils and Impetus (February 2020)*.

Young people with a disadvantaged family background are 50% more likely to be NEET. Government statistics tell us that 75% of 18-24 year olds who are out of work for 3 months will continue to be NEET for at least 12 months. Amplified by the impact of Covid-19 and the inevitable recession, the impact will result in long term negative effects for the youth jobs sector.

*“Looking at the sectoral effects of this crisis gives us more reason for concern still: over one-third of non-graduate leavers begin their careers in roles that are likely to be shut down in the current crisis, and we don’t know when – and to what extent – these sectors will rebound.”*

The Resolution Foundation, Class of 2020 Report.

## **HOW WE DO WHAT WE DO**

We believe that education and training, confidence building and employment are the keys to transforming individual’s life chances.

City Gateway’s training and education programmes take a unified approach, providing all the elements of functional education in English and mathematics and employability training, supported by wrap-around coaching and safeguarding support. This model helps our students to overcome educational and personal barriers in an environment that is tailored to their learning and developmental needs. In turn our students gain the confidence, skills and appropriate qualifications needed for further education or sustained full-time employment.

With the impact of Covid-19 City Gateway’s delivery has shifted to a more agile and responsive way of working. To future proof our delivery we have created and rolled out our online learner Hub. All learners have access to this learner platform and for those learners in need we have provided laptops to enable them to access learning.

We believe that we are the first training provider to provide remote work placements enabling learners to continue with their programme remotely. Work placements have been provided by our partners IBM and Helen New Communications.

In doing what we do, we champion collaboration between the corporate and non-profit worlds to drive equality of access to employment, social mobility, diversity, inclusion and economic growth in London.

## **OUR IMPACT**

In a year where Covid-19 has severely affected students, City Gateway was able to demonstrate a number of successes, positively impacting the lives of our learners. We are blazing a trail to ensure that our traineeship programme can provide work placements in a Covid safe way. Our outstanding partnership with IBM, has been integral to providing excellent employability skills and work experience to learners. We continue to work with a range of partners to provide work experience placements in an innovative way.

We have consistently reached learners from our target population, driven by our mission to serve young people whose personal circumstances may dictate their ability to reach their full potential. With City Gateway’s support and passion, we aim to raise these young people up.

Our Functional Skills Achievement rate in Maths was on par with the 18/19 national average. But there is always more to do; we are working extremely hard to ensure that we will be able to shout about and celebrate our Functional Skills Achievement in English next year.

**City Gateway  
Trustees Report for the year ended 31 August 2020**

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Our coaching programme, which supports young people over the entire course of their learner journey, demonstrated the effectiveness of developing personal capabilities in young people. We support learners to grow in confidence, resilience and self-awareness, because we recognise that these skills will serve them throughout their lives. Our Gateway 'job readiness' programme enables learners to engage with a range of professionals, gaining insights and practical advice and transferable skills to carry through their careers.

We were able to successfully support young people into outcomes in employment, education and training (EET), despite the challenges of the youth jobs market for this particular cohort of young people and the massive ripple effect caused by the global pandemic. Our young people achieved an EET outcome rate of 42%, surpassing the pre-covid sector benchmark of 22%.

Our learners gave us a score of 7 of out of 10, when asked if they would recommend City Gateway to a friend.

**Adetayo's story** Youtube link: [https://www.youtube.com/watch?v=qwzUATc0\\_JA](https://www.youtube.com/watch?v=qwzUATc0_JA)



## OUR PARTNERS

City Gateway's impact is only possible in collaboration with the future-thinking, generous organisations who partner with us. These organisations work with us to volunteer, fund our programmes and provide work placements (including remote work placements) and Apprenticeship opportunities in their teams for our aspirational, job-ready learners.

Each of our partners has made a significant contribution to changing lives in London in 2019/20 and we are truly grateful to all of them.

Below are just some of the partners that made our work possible this year:



If you would like to partner with us, please contact [partnership@citygateway.org.uk](mailto:partnership@citygateway.org.uk) for more information.

# City Gateway

## Trustees Report for the year ended 31 August 2020

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### BOARD GOVERNANCE

City Gateway is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28 April 1999. It is registered as a charity with the Charity Commission.

City Gateway has always, and will continue to take its responsibilities of ensuring that its charitable activities contribute significantly to the lives of those we work with and specifically within the local areas in which those activities are undertaken. With reference to Charities Act 2011, all our charitable activities are directed towards having a lifelong impact on London and these activities are undertaken to further our charitable purposes for the public benefit.

Trustees are appointed on the basis of their skills and experience as well as their passion to further City Gateway's vision, mission and ethos. A mix of different skills and backgrounds is sought on the Board and for Board Working Groups.

All Trustees give their time voluntarily and receive no private benefit from the charity. The term of office for a Trustee is 3 years, extendable by invitation of the Chairman for a further 2 years. Any extensions beyond five years can only be made under exceptional circumstances and requires the agreement of the whole board.

Newly appointed Trustees are briefed on their responsibilities and legal obligations under both charity and company law, the Memorandum and Articles of Association, the current Strategic Business Plan and given an overview of the recent financial performance. Each Trustee is given a particular role on a Board Working Group and is expected to attend all Trustee meetings. Trustees are encouraged to attend appropriate external training, where this facilitates the undertaking of their role.

Trustees are responsible for setting general policy, finalising and approving the annual plan and budget, monitoring the charity and taking major decisions about the strategic direction of the charity and capital expenditure. Trustees appoint the Chief Executive Officer ("CEO") to manage and lead the charity and agree a level of delegated authority. The CEO is accountable to the board of Trustees through the Chairman who has regular meetings with the CEO. The CEO is responsible for ensuring that the charity delivers its mission and that key performance metrics of operational delivery are met. The remuneration of the CEO is approved annually by the Trustees.

### TEAM

City Gateway has an outstanding staff team, led by David Wesson as CEO until September 2020 and is now led by Diane Betts as CEO from October 2020.

*'I'm an ambassador and an advocate for enabling social mobility and equal access.' Originally an accountant, I have over 25 years' leadership experience in not-for-profit organisations that provide specialised social support, often to those who are disadvantaged, vulnerable, or who live with additional needs. My passion is completely aligned with City Gateway's vision, to see young people grow and reach their full potential, no matter the place they start.'* **Diane Betts, CEO**

All our team have a passion for our students and achieving lasting transformational impact in their lives. They are just as passionate for serving our partners with excellence and for our culture of continuous improvement.

### ACTIVITY IN THE YEAR 2019/20

In the last year, City Gateway has continued to serve our students and continuously improve our operating processes as we seek to serve all our stakeholders with excellence, in sector leadership, both now and in the future.

We are proud to celebrate our areas of strong performance including:

- Women's Programmes overall educational achievement rate of 76%.
- ESOL achievement rate was 85% against the 18/19 national average of 82%

## City Gateway

### Trustees Report for the year ended 31 August 2020

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- Youth Programmes Functional Skills Maths was on par with the 18/19 national average of 61%

#### Youth Programmes

We continue to reach a high proportion (77%) of our target population who present one or more of the following:

- Aged between 16-24
- Live in a London borough
- Worklessness in the family
- Low income background (with free school meals)
- Care leaver
- Learner self-reported risk factors including mental health issues, alcohol and drug use

139 learners accessed our courses (68 learners aged 16-18 years, 68 learners aged 19-23 years and 3 24+ years).

While lower than predicted, due to Covid-19, we continue to outperform the benchmark for entry into Education, Employment or Training (EET). 36% of our learners had an EET outcome. 10% entered into an apprenticeship, 8% into part time employment, 8% into full time employment, 7% into full time education and 3% into higher education.

Personal capabilities are at the heart of our coaching programme which focus on self-awareness, confidence and resilience. Initial outcome data shows that learners are showing improvements in their personal capabilities. The positive movement in scores shows progression as learners are reflecting on their status and are stretched and challenged by their coach.

#### Women's Programmes

Our year end completion rate was 78% which was a modest improvement (3%) on our predicted grade and our year end programme achievement rate was 76%.

Our ESOL achievement rate of 85% exceeded our predicted grade (83%) and the 18/19 national achievement rate of 82%.

Survey results (March 2020) from the Women's Programmes stated that 100% of the women said:

- they 'enjoyed' or 'really enjoyed' courses at City Gateway
- they felt 'supported' or 'really supported' by staff
- they felt 'safe' or 'very safe' at the Stepney Life Centre

#### **FUTURE IMPACT PLAN FOR THE COMING YEARS**

The Trustees plan, in the future, to build on our mission and grow our impact to transform the life chances of Young People and Women in London communities most impacted by social and economic inequality.

We continue to work with employers to place our students into Traineeship work placements leading to Apprenticeship outcomes, both on site and remotely to increase our financial sustainability.

We want to continue to improve progression into full time education or employment outcomes for all our students. We especially want to support our students into Apprenticeships, which uniquely allow us to continue to support, coach and train them whilst they complete their first 12/18 month's employment.

Due to the impact of Covid-19 we are revising our 3 year Strategic Plan to ensure we aim to serve over 1,000 students a year by 2022/23 and we plan to raise investment in order to adequately support this work by continuing to build our valuable partnerships with Government, Grant awarding bodies, Trusts and the Corporate sector.

# City Gateway

## Trustees Report for the year ended 31 August 2020

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### FINANCIAL REVIEW 2019/20

The accounts contained in this report are presented in accordance with “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)” - (Charities SORP (FRS 102)) and with relevant companies and charities legislation and regulations.

The Trustees report a year of excellent progress in 2019/20. Despite the challenges of Covid-19 Year 1 targets were achieved.

City Gateway's gross income from all sources, how this income was expended and the split of financial activity between restricted and unrestricted funds is shown in detail in the following pages. Annual income was £1.7m (2018/19: £2.5m). Our annual surplus in the year was £8k (2018/19 deficit of £278k). This surplus is a direct result of last year's investments in building expertise in the future strategic direction.

### Reserves

City Gateway is committed to using its resources in pursuit of its charitable activities. It is also committed to maintaining a level of reserves that is prudent to meet its on-going liabilities, sufficient to ensure that all service delivery commitments can be met and to protect the long term sustainable future of operations. This commitment is in line with the Operational guidance No 43 (Charity Income Reserves) issued by the Charity Commission which seeks to guarantee financial security and ensure a sufficient level of reserves.

Free reserves cover has decreased in the year to £92k which corresponds to 1 month at year end (2018/19: 3 months). This is in part due to increased investment for the future and also due to the accrual of rent-free periods under a new operating lease commitment in the year for a new delivery site. The value of the rent-free accrual is £165k. We report a cash position at year end of £662k. This equates to 4 months cover (2018/19: 2 month cover).

Our reserves policy is to aim to maintain sufficient cash reserves to cover at least 3 months future expenditure. This policy is regularly reviewed to ensure that it continues to be appropriate and sufficient.

### Risk management

We continue to assess, review, monitor and plan for all risks which the organisation may face, now or in the future. Our risk management strategy comprises a risk register of all aspects of the organisation and its activities, outlining possible risks which may occur, procedures to mitigate the risks identified and regular re- assessments both of the risks already outlined on the register and of potential new risks. This process raises awareness of risk and assists with the development of robust contingency plans.

### Key Risks

There has been a change to the funding landscape with increase in competition and reduction in funds available from usual sources as a result of Covid-19 & recession.

To mitigate this risk there has been a move to increase our statutory (ESFA) funding for our existing programmes including Traineeships. There has also been a focus on renewing existing partners as trends in Corporate Giving is to remain with the existing portfolio. We are also building strategic new partnerships to prepare them to support us in future delivery. In addition, we are broadening our funding packages and messaging to align with a greater number of opportunities including Covid specific funding packages and Innovation packages. We are also building a Fundraising Advisory Board to support the strategy and secure leads for the funding pipeline.

There has also been a change in the new employment and Apprenticeship market impacted by Covid-19.

# City Gateway

## Trustees Report for the year ended 31 August 2020

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We have successfully piloted delivering work placement opportunities online delivered in partnership with IBM, Helen New, Courier Magazine, Opportunity Access and NCDP. As a result of this more employers are committing to further work placement opportunities. We believe we are among the first, if not the very first, independent training provider to successfully deliver remote work placements leading to apprenticeships and job opportunities.

During the lockdown we shifted our focus to building an online hub that would not only support our learners when moving fully online but also to supplement the face-to-face teaching we deliver. We now have a live hub with content for maths, English, Employability and our Gateway learners as well as an opportunities section which lists current employment and apprenticeship vacancies.

We have also developed a fully on-line enrolment process to welcome new learners on board across all our delivery programmes.

The Board have assessed Brexit and Covid-19 and concluded that this does not pose a specific risk to the organisation.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of City Gateway for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 income and expenditure of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, and to 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.

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditor is aware of that information.

ON BEHALF OF THE BOARD:



.....  
Kenny Imafidon  
Trustee

Date: 27.01.2021

# **City Gateway**

## **Report of the independent auditor to the members of City Gateway**

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### **Opinion**

We have audited the financial statements of (the 'charity') for the year ended 31 August 2020 which comprise Consolidated Statement of financial activities, the Consolidated and Charity Balance sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 state of the group's and of the parent charity's affairs as at 31 August 2020 and of the group's 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 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 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 financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the parent charity 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 group's and the parent 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 financial statements**

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

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

## **City Gateway**

### **Report of the independent auditor to the members of City Gateway**

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#### **Use of the audit 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.



**Nicola Wakefield (Senior Statutory Auditor)**

**For and on behalf of Mazars LLP**

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton SM1 4FS

Date: 4 February 2021

# City Gateway

## Consolidated Statement of Financial Activities for the year ended 31 August 2020

|                                    | Note         | General<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2020 Total<br>Funds<br>£ | 2019 Total<br>Funds<br>£<br>(note 21) |
|------------------------------------|--------------|-----------------------|--------------------------|--------------------------|---------------------------------------|
| <b>Income</b>                      |              |                       |                          |                          |                                       |
| Donations and legacies             | 2            | 531,686               | 449,125                  | 980,811                  | 1,554,952                             |
| Income from Investments            |              | 458                   | -                        | 458                      | 355                                   |
| Income from charitable activities  | 3            | 425,753               | 307,356                  | 733,109                  | 978,906                               |
| <b>Total income</b>                |              | <b>957,897</b>        | <b>756,481</b>           | <b>1,714,378</b>         | <b>2,534,213</b>                      |
| <b>Expenditure</b>                 |              |                       |                          |                          |                                       |
| Charitable activities              | 4            | 964,088               | 742,015                  | 1,706,103                | 2,812,090                             |
| <b>Total expenditure</b>           |              | <b>964,088</b>        | <b>742,015</b>           | <b>1,706,103</b>         | <b>2,812,090</b>                      |
| <b>NET MOVEMENT IN FUNDS</b>       |              | <b>(6,191)</b>        | <b>14,466</b>            | <b>8,275</b>             | <b>(277,877)</b>                      |
| Total funds brought forward        |              | <b>98,325</b>         | -                        | <b>98,325</b>            | <b>376,202</b>                        |
| <b>Total funds carried forward</b> | <b>12,13</b> | <b>92,134</b>         | <b>14,466</b>            | <b>106,600</b>           | <b>98,325</b>                         |

All amounts relate to continuing activities and there are no other gains or losses other than as disclosed in the statement of financial activities.

The notes form part of these financial statements

**City Gateway**  
**Consolidated Balance sheet at 31 August 2020**

|                                                 |             | <b>2020</b>      | <b>2019</b>      |
|-------------------------------------------------|-------------|------------------|------------------|
|                                                 | <b>Note</b> | <b>£</b>         | <b>£</b>         |
| <b>FIXED ASSETS</b>                             |             |                  |                  |
| Tangible assets                                 | 8           | 145,193          | 175,727          |
| Intangible assets                               | 8           | 10,852           | 21,704           |
| Investments                                     | 9           | <u>621</u>       | <u>621</u>       |
|                                                 |             | 156,666          | 198,052          |
| <b>CURRENT ASSETS</b>                           |             |                  |                  |
| Debtors: amounts falling due within one year 10 |             | 89,254           | 49,363           |
| Cash at bank and in hand                        |             | <u>662,640</u>   | <u>271,910</u>   |
|                                                 |             | 751,894          | 321,273          |
| <b>CREDITORS</b>                                |             |                  |                  |
| Amounts falling due within one year             | 11a         | <u>(317,135)</u> | <u>(299,855)</u> |
| <b>NET CURRENT ASSETS</b>                       |             | <u>434,759</u>   | <u>21,418</u>    |
| <b>CREDITORS</b>                                |             |                  |                  |
| Amounts falling due after more than one year    | 11b         | <u>(484,825)</u> | <u>(121,145)</u> |
| <b>NET ASSETS</b>                               |             | <u>106,600</u>   | <u>98,325</u>    |
| <b>FUNDS</b>                                    | 12,13       |                  |                  |
| Unrestricted funds                              |             | 92,134           | 98,325           |
| Restricted funds                                |             | <u>14,446</u>    | <u>-</u>         |
| <b>TOTAL FUNDS</b>                              |             | <u>106,600</u>   | <u>98,325</u>    |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and have been audited under the Companies Act 2006.

The financial statements were approved by the Board of Trustees on the 27<sup>th</sup> January 2021 and were signed on its behalf by:

*Kenny Imafidon*

.....  
**Kenny Imafidon**

**Trustee**

**City Gateway**  
**Charity Balance sheet at 31 August 2020**

|                                              | Note  | 2020<br>£        | 2019<br>£        |
|----------------------------------------------|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |
| Tangible assets                              | 8     | 145,193          | 175,727          |
| Intangible assets                            | 8     | 10,852           | 21,704           |
| Investments                                  | 9     | 621              | 621              |
| Investment in subsidiary                     | 9     | <u>100</u>       | <u>100</u>       |
|                                              |       | 156,766          | 198,152          |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |
| Debtors: amounts falling due within one year | 10    | 91,869           | 66,267           |
| Cash at bank and in hand                     |       | <u>656,196</u>   | <u>232,566</u>   |
|                                              |       | 748,065          | 298,833          |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due within one year          | 11a   | <u>(307,041)</u> | <u>(270,646)</u> |
| <b>NET CURRENT ASSETS</b>                    |       | <u>441,024</u>   | <u>28,187</u>    |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due after more than one year | 11b   | <u>(484,825)</u> | <u>(121,145)</u> |
| <b>NET ASSETS</b>                            |       | <u>112,965</u>   | <u>105,194</u>   |
| <b>FUNDS</b>                                 | 12,13 |                  |                  |
| General funds                                |       | 98,499           | 105,194          |
| Restricted funds                             |       | <u>14,466</u>    | <u>-</u>         |
| <b>TOTAL FUNDS</b>                           |       | <u>112,965</u>   | <u>105,194</u>   |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and have been audited under the Companies Act 2006.

The financial statements were approved by the Board of Trustees on the 27<sup>th</sup> January 2021 and were signed on its behalf by:

*Kenny Imafidon*

Kenny Imafidon

Trustee

|                                                                 | 2020<br>£      | 2020<br>£      | 2019<br>£        | 2019<br>£        |
|-----------------------------------------------------------------|----------------|----------------|------------------|------------------|
| <b>Cash flows from operating activities</b>                     |                |                |                  |                  |
| <b>Net income / (expenditure)</b>                               | <b>8,725</b>   |                | <b>(277,877)</b> |                  |
| Adjustments for:                                                |                |                |                  |                  |
| Depreciation                                                    | 31,188         |                | 28,047           |                  |
| Amortisation                                                    | 10,852         |                | 10,852           |                  |
| Interest income                                                 | (458)          |                | (355)            |                  |
| Trade and other debtors                                         | (39,891)       |                | 141,723          |                  |
| Trade and other creditors                                       | 274,313        |                | (33,387)         |                  |
|                                                                 |                |                |                  |                  |
| <b>Cash flows generated by / (used in) operating activities</b> |                | <b>284,279</b> |                  | <b>(130,997)</b> |
|                                                                 |                |                |                  |                  |
| Purchase of property plant and equipment                        | (654)          |                | (69,532)         |                  |
| Interest received                                               | 458            |                | 355              |                  |
| Interest paid                                                   | (5,677)        |                |                  |                  |
|                                                                 |                |                |                  |                  |
| <b>Cash flows used in investing activities</b>                  |                | <b>(196)</b>   |                  | <b>(69,177)</b>  |
|                                                                 |                |                |                  |                  |
| New loans received in the year                                  | <b>110,000</b> |                | -                |                  |
| Loans repaid in the year                                        | <b>(3,353)</b> |                | -                |                  |
|                                                                 |                |                |                  |                  |
| <b>Cash generated by financing activities</b>                   |                | <b>106,647</b> |                  | <b>-</b>         |
|                                                                 |                |                |                  |                  |
| <b>Net increase / (decrease) in cash</b>                        |                | <b>390,730</b> |                  | <b>(200,174)</b> |
|                                                                 |                |                |                  |                  |
| <b>Cash balance at 1 September</b>                              |                | <b>271,910</b> |                  | <b>472,084</b>   |
|                                                                 |                |                |                  |                  |
| <b>Cash balance at 31 August</b>                                |                | <b>662,640</b> |                  | <b>271,910</b>   |

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

City Gateway meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Under s408 of the Companies Act 2006 the charitable company is exempt from the requirement to present its own Statement of Financial activities. The surplus for the year for the charitable parent company was £7,771 (2019: deficit of £243,987).

**Going concern**

The trustees consider that it is appropriate for these financial statements to be prepared on the going concern basis given the level of assets and the forecast results for 2020/21. As detailed in the Trustee's report, significant post balance sheet events have brought cash cover back to policy in the year 2019/20.

The trustees have reviewed detailed cash flow projections to 31 August 2022. Both sources of income and types of expenditure have been reviewed including sensitivity analysis. **The charity is expecting to return to teaching students in person from April 2021 and our current funding partners remain committed to supporting delivery of our mission in the medium to long term.** The trustees have also considered the charity's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

**Income**

All income is included on the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income received in advance on contracts, performance related grants and grants for future periods is carried through to the Balance Sheet as deferred income and included in creditors. Where it is probable that income received will be claimed back, this amount is included in the SOFA as an income provision and is also included on the Balance Sheet as a creditor.

**Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources.

**Intangible fixed assets**

Software costs have been capitalised at historic cost and amortised on a straight line basis between 2 years and 5 years.

**Tangible fixed assets**

Depreciation is provided at rates calculated in order to write off each asset evenly over its estimated useful life. Individual items costing under £1,000 are written off on purchase. Estimated useful life of assets is as follows:

|                       |                               |
|-----------------------|-------------------------------|
| Leasehold properties  | -Over the period of the lease |
| Fixtures and fittings | -1 to 5 years                 |
| Computer equipment    | -3 years                      |

Motor vehicles -5 years

**1. ACCOUNTING POLICIES (CONTINUED)**

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are those unrestricted funds which the trustees have earmarked to be used for a particular purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

**Pension scheme**

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**2. VOLUNTARY INCOME**

|                                           | <b>2020</b>    | <b>2019</b>      |
|-------------------------------------------|----------------|------------------|
|                                           | <b>£</b>       | <b>£</b>         |
| Individual donations & Fundraising events | 33,909         | 34,095           |
| Corporate donations                       | 863,803        | 882,788          |
| Gifts in kind (see note 17)               | 9,329          | 474,436          |
| Other                                     | <u>73,970</u>  | <u>163,633</u>   |
|                                           | <u>980,811</u> | <u>1,554,952</u> |

Corporate donations includes £449,125 (2019: £301,172) of restricted donations. All other balances in the current and prior year are unrestricted.

**3. INCOME FROM CHARITABLE ACTIVITIES**

|                                | <b>2020</b>    | <b>2019</b>    |
|--------------------------------|----------------|----------------|
|                                | <b>£</b>       | <b>£</b>       |
| Statutory income               | 408,110        | 708,850        |
| Other grants and contracts     | 315,356        | 205,993        |
| Apprenticeship Training Agency | 9,643          | 64,063         |
|                                | <u>733,109</u> | <u>978,906</u> |

Other grants and contracts includes £307,356 (2019: £177,766) of restricted income. All other balances in the current and prior year are unrestricted.

Statutory income relates to income received from the state or a statutory intermediary body.  
 Apprenticeship Training Agency income is income received from apprentice employers in respect of apprenticeship placements.

**4. EXPENDITURE ON CHARITABLE ACTIVITIES**

|                                                  | Young<br>People's<br>education,<br>training and<br>progression<br>£ | Family<br>programmes<br>£ | Apprentic-<br>eship<br>Training<br>Agency<br>£ | 2020<br>£        | 2019<br>£        |
|--------------------------------------------------|---------------------------------------------------------------------|---------------------------|------------------------------------------------|------------------|------------------|
| Direct charitable activities                     | 403,672                                                             | 234,104                   | 139,900                                        | 777,676          | 1,073,547        |
| Support costs                                    | 481,923                                                             | 279,485                   | 167,019                                        | 928,427          | 1,393,705        |
| Subcontractor costs                              | -                                                                   | -                         | -                                              | -                | 230,990          |
| Little Miracles repayment                        | -                                                                   | -                         | -                                              | -                | 113,848          |
| <b>Total</b>                                     | <b>885,595</b>                                                      | <b>513,589</b>            | <b>306,919</b>                                 | <b>1,706,103</b> | <b>2,812,090</b> |
| <b>Support costs broken down<br/>by activity</b> |                                                                     |                           |                                                |                  |                  |
| Senior management                                | 95,664                                                              | 55,479                    | 33,155                                         | 184,298          | 201,897          |
| Finance & contract management                    | 129,971                                                             | 75,375                    | 45,044                                         | 250,390          | 232,614          |
| Premises, Facilities & IT                        | 117,014                                                             | 67,861                    | 40,553                                         | 225,428          | 227,361          |
| HR & Staff development                           | 56,261                                                              | 32,628                    | 19,498                                         | 108,387          | 121,275          |
| Marketing & communication                        | 78,171                                                              | 45,334                    | 27,091                                         | 150,596          | 136,122          |
| Gift in kind: Strategic review                   | -                                                                   | -                         | -                                              | -                | 400,000          |
| Gift in kind: Professional services              | 4,842                                                               | 2,808                     | 1,678                                          | 9,328            | 74,436           |
| <b>Total support costs</b>                       | <b>481,923</b>                                                      | <b>279,485</b>            | <b>167,019</b>                                 | <b>928,427</b>   | <b>1,393,705</b> |

Direct charitable activities includes £469,294 of restricted expenditure (2019: £458,793) and Support costs includes £272,721 of restricted expenditure (2019: £21,237). All other balances in the current and prior years are unrestricted.

Please see note 17 for details of the gifts in kind.

Apportionment of support costs between activities is based on direct charitable activities.

The Apprenticeship Training Agency (ATA) offers services to employers to source, arrange and host their apprenticeships. The majority of expenditure associated with the ATA relates to the wages of hosted apprentices. City Gateway offers the employers it works with a choice of Hosted Employment of apprentices through the ATA or Direct Employment of apprentices. The value of expenditure associated with the ATA activities is dependent upon the choices made by employers.

Total expenditure related to ATA activities has decreased by £30,492 from £197,511 in 2019.

**5a. GOVERNANCE COSTS (included in Support Costs above)**

|                      | 2020<br>£ | 2019<br>£ |
|----------------------|-----------|-----------|
| Auditor remuneration | 14,975    | 14,100    |

**5b. NET INCOME / (EXPENDITURE)**

Net movements in funds are stated after charging:

|                                          | <b>2020</b>    | <b>2019</b>   |
|------------------------------------------|----------------|---------------|
|                                          | <b>£</b>       | <b>£</b>      |
| Auditor's remuneration – audit fees      | 14,975         | 14,100        |
| Depreciation/amortisation - owned assets | 42,040         | 38,899        |
| Other operating leases                   | <u>139,978</u> | <u>30,258</u> |

**6. TRUSTEES' REMUNERATION AND BENEFITS**

The Chair was not paid during the year ended 31 August 2020 or the year ended 31 August 2019. No other trustee received any remuneration during the current or prior years.

**Trustees' Expenses**

No trustees claimed expenses during the year ended 31 August 2020 or the year ended 31 August 2019.

**7. STAFF COSTS**

|                    | <b>2020</b>      | <b>2019</b>      |
|--------------------|------------------|------------------|
|                    | <b>£</b>         | <b>£</b>         |
| Wages and salaries | 1,016,563        | 1,258,246        |
| Social security    | 93,432           | 113,679          |
| Pension            | 62,000           | 83,842           |
| Redundancy costs   | 8,223            | -                |
| Other staff costs  | <u>78,964</u>    | <u>61,382</u>    |
|                    | <u>1,259,182</u> | <u>1,517,149</u> |

The average monthly number of employees during the year was as follows:

|                 | <b>2020 No.</b> | <b>2019 No.</b> |
|-----------------|-----------------|-----------------|
| Apprentices     | -               | 17              |
| Permanent staff | <u>32</u>       | <u>46</u>       |
|                 | <u>32</u>       | <u>63</u>       |

Employees who earned more than £60,000 p.a. are as follows:

|                     | <b>2020 No.</b> | <b>2019 No.</b> |
|---------------------|-----------------|-----------------|
| £60,001 - £70,000   | 1               | 1               |
| £120,001 – £130,000 | 1               | 1               |
|                     | <u>2</u>        | <u>2</u>        |

Key management personnel comprises the Chief Executive Office and Directors. The total employee benefits of the key management personnel of the charity were £290,918 (2019: £333,784).

**8. TANGIBLE & INTANGIBLE FIXED ASSETS**

| <b>GROUP &amp; CHARITY</b>       | <b>Leasehold Properties</b> | <b>Fixtures and fittings</b> | <b>Computer Equipment</b> | <b>Tangible Fixed Assets Totals</b> | <b>Intangible Fixed Assets Totals</b> |
|----------------------------------|-----------------------------|------------------------------|---------------------------|-------------------------------------|---------------------------------------|
|                                  | <b>£</b>                    | <b>£</b>                     | <b>£</b>                  | <b>£</b>                            | <b>£</b>                              |
| <b>COST</b>                      |                             |                              |                           |                                     |                                       |
| At 1 September 2019              | 165,886                     | 17,925                       | 123,908                   | 307,719                             | 60,570                                |
| Additions                        | -                           | 654                          | -                         | 654                                 | -                                     |
| Disposals                        | -                           | (3,540)                      | (103,906)                 | (107,446)                           | (22,489)                              |
| <b>At 31 August 2020</b>         | <b>165,886</b>              | <b>15,039</b>                | <b>20,002</b>             | <b>200,927</b>                      | <b>38,081</b>                         |
| <b>DEPRECIATION/AMORTISATION</b> |                             |                              |                           |                                     |                                       |
| At 1 September 2019              | 15,908                      | 5,485                        | 110,599                   | 131,992                             | 38,866                                |
| Charge for the year              | 16,589                      | 7,944                        | 6,655                     | 31,188                              | 10,852                                |
| Released on disposal             | -                           | (3,540)                      | (103,906)                 | (107,446)                           | (22,489)                              |
| <b>At 31 August 2020</b>         | <b>32,497</b>               | <b>9,889</b>                 | <b>13,348</b>             | <b>55,734</b>                       | <b>27,229</b>                         |
| <b>NET BOOK VALUE</b>            |                             |                              |                           |                                     |                                       |
| <b>At 31 August 2020</b>         | <b>133,389</b>              | <b>5,150</b>                 | <b>6,654</b>              | <b>145,193</b>                      | <b>10,852</b>                         |
| At 31 August 2019                | 149,978                     | 12,440                       | 13,309                    | 175,727                             | 21,704                                |

**9. FIXED ASSET INVESTMENTS**

**GROUP AND CHARITY**

Listed  
investments  
£

**MARKET VALUE**

At 1 September 2019 and at 31 August 2020

621

**NET BOOK VALUE**

At 31 August 2020

621

At 31 August 2019

621

There were no investment assets outside the UK.

**INVESTMENTS IN SUBSIDIARY**

£

**COST**

At 1 September 2019 and at 31 August 2020

100

**9. FIXED ASSET INVESTMENTS (CONTINUED)**

| Subsidiaries included in consolidation | Activities                                  | % of capital held | Net liabilities at 31 August 2020<br>£ | Profit for the year ended 31 August 2020<br>£ |
|----------------------------------------|---------------------------------------------|-------------------|----------------------------------------|-----------------------------------------------|
| City Gateway Enterprises Limited       | Operation of Apprenticeship Training Agency | 100%              | (6,272)                                | 505                                           |

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| GROUP          | 2020<br>£     | 2019<br>£     |
|----------------|---------------|---------------|
| Debtors        | 19,081        | 5,760         |
| Accrued income | 36,098        | 8,019         |
| Other debtors  | 34,075        | 35,584        |
|                | <u>89,254</u> | <u>49,363</u> |

| CHARITY              | 2020<br>£     | 2019<br>£     |
|----------------------|---------------|---------------|
| Debtors              | 19,081        | -             |
| Accrued income       | 36,098        | 8,019         |
| Other debtors        | 33,887        | 35,396        |
| Intercompany debtors | 2,803         | 22,852        |
|                      | <u>91,869</u> | <u>66,267</u> |

**11a. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| GROUP                      | 2020<br>£      | 2019<br>£      |
|----------------------------|----------------|----------------|
| Trade creditors            | 43,110         | 68,345         |
| VAT                        | (840)          | (1,865)        |
| Other creditors            | 23,948         | 24,956         |
| Accruals                   | 105,382        | 79,662         |
| Deferred income            | 107,563        | 128,757        |
| Other loans (see note 11c) | 37,972         | -              |
|                            | <u>317,135</u> | <u>299,855</u> |

| CHARITY                    | 2020<br>£      | 2019<br>£      |
|----------------------------|----------------|----------------|
| Trade creditors            | 41,910         | 48,995         |
| Other creditors            | 23,955         | 24,990         |
| Accruals                   | 98,032         | 77,937         |
| Deferred income            | 105,172        | 118,724        |
| Other loans (see note 11c) | 37,972         | -              |
|                            | <u>307,041</u> | <u>270,646</u> |

**11b. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| <b>GROUP AND CHARITY</b> | <b>2020</b>    | <b>2019</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Accruals                 | 127,591        | 121,145        |
| Deferred income          | 278,559        | -              |
| Other creditors          | 10,000         | -              |
| Loans                    | 68,675         | -              |
|                          | <u>848,825</u> | <u>121,145</u> |

**11c. MATURITY OF LOANS**

| <b>GROUP AND CHARITY</b>            | <b>2020</b>    | <b>2019</b> |
|-------------------------------------|----------------|-------------|
|                                     | <b>£</b>       | <b>£</b>    |
| Loans repayable in one year or less | 37,972         | -           |
| Between one and two years           | 41,118         | -           |
| Between two and five years          | 27,557         | -           |
|                                     | <u>106,647</u> | <u>-</u>    |

The charity has two loans drawn down in 2019/20 which are unsecured and bearing interest at 8%.

**12. UNRESTRICTED FUNDS**

| <b>CHARITY</b>             | <b>At 1<br/>September<br/>2019<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>At 31<br/>August<br/>2020<br/>£</b> |
|----------------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|----------------------------------------|
| <b>Unrestricted funds:</b> |                                          |                     |                          |                                   |                                        |
| General funds              | 105,194                                  | 948,255             | (954,950)                | -                                 | 98,499                                 |
|                            | <u>          </u>                        | <u>          </u>   | <u>          </u>        | <u>          </u>                 | <u>          </u>                      |

| <b>GROUP</b>               | <b>At 1<br/>September<br/>2019<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>At 31<br/>August<br/>2020<br/>£</b> |
|----------------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|----------------------------------------|
| <b>Unrestricted funds:</b> |                                          |                     |                          |                                   |                                        |
| General funds              | 98,325                                   | 957,897             | (964,088)                | -                                 | 92,134                                 |
|                            | <u>          </u>                        | <u>          </u>   | <u>          </u>        | <u>          </u>                 | <u>          </u>                      |

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2020**

**13. RESTRICTED FUNDS**

**GROUP AND CHARITY**

|                                   | At 1<br>September<br>2019<br>£ | Income<br>£    | Expenditure<br>£ | At 31<br>August<br>2020<br>£ |
|-----------------------------------|--------------------------------|----------------|------------------|------------------------------|
| London Catalyst (Samaritan Grant) | -                              | 800            | (800)            | -                            |
| The Clothworkers' Foundation      | -                              | 15,000         | (534)            | 14,466                       |
| Sidley Austin                     | -                              | 1,000          | (1,000)          | -                            |
| BBC Children in Need              | -                              | 31,005         | (31,005)         | -                            |
| JP Morgan                         | -                              | 273,125        | (273,125)        | -                            |
| Ocean Regeneration Trust          | -                              | 38,057         | (38,057)         | -                            |
| Charles Hayward                   | -                              | 25,000         | (25,000)         | -                            |
| Berkeley Foundation               | -                              | 30,307         | (30,307)         | -                            |
| Centerbridge                      | -                              | 125,000        | (125,000)        | -                            |
| State Street                      | -                              | 97,187         | (97,187)         | -                            |
| St James Place                    | -                              | 30,000         | (30,000)         | -                            |
| The Drapers' Charitable Fund      | -                              | 20,000         | (20,000)         | -                            |
| L&Q                               | -                              | 10,000         | (10,000)         | -                            |
| Community Fund (Awards for All)   | -                              | 10,000         | (10,000)         | -                            |
| Man Group                         | -                              | 50,000         | (50,000)         | -                            |
| London Catalyst (Samaritan Grant) | -                              | 800            | (800)            | -                            |
| <b>Total restricted funds</b>     | <b>-</b>                       | <b>756,481</b> | <b>(742,015)</b> | <b>14,466</b>                |

|                                   |                                                      |
|-----------------------------------|------------------------------------------------------|
| London Catalyst (Samaritan Grant) | To assist people in severe need                      |
| The Clothworkers' Foundation      | Covid-19 response                                    |
| Sidley Austin                     | Sponsorship of the Family Programmes Christmas Party |
| BBC Children in Need              | Family Programme Funding                             |
| JP Morgan                         | Youth Programmes Support (Bridging the Gap project)  |
| Ocean Regeneration Trust          | Support Women's programmes at Stepney Life Centre    |
| Charles Hayward                   | Support for Families Together project                |
| Berkeley Foundation               | Support of the Equipping Young Women for the Future  |
| Centerbridge                      | City Gateway 3 Year Growth Plan Support              |
| State Street                      | Youth Programme Support                              |
| St James Place                    | Student Support Programme                            |
| The Drapers' Charitable Fund      | Youth Programme core costs support                   |
| L&Q                               | Employability programme Support                      |
| Community Fund (Awards for All)   | Outreach support                                     |
| Man Group                         | Youth Programmes Support                             |

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2020**

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>GROUP</b>                           | <b>Unrestricted<br/>General<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Funds<br/>2020<br/>£</b> | <b>Total<br/>Funds<br/>2019<br/>£</b> |
|----------------------------------------|-------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Tangible Fixed assets                  | 145,193                                         | -                                 | 145,193                               | 175,727                               |
| Intangible Fixed assets                | 10,852                                          | -                                 | 10,852                                | 21,704                                |
| Investments                            | 621                                             | -                                 | 621                                   | 621                                   |
| Current assets                         | 737,428                                         | 14,466                            | 751,894                               | 321,273                               |
| Creditors due within one year          | (317,135)                                       | -                                 | (317,135)                             | (299,855)                             |
| Creditors due after more than one year | (484,825)                                       | -                                 | (484,825)                             | (121,145)                             |
| <b>Net assets at 31 August 2020</b>    | <b>92,134</b>                                   | <b>14,466</b>                     | <b>106,600</b>                        | <b>98,325</b>                         |

**15. CITY GATEWAY ENTERPRISES LIMITED**

City Gateway has a wholly owned subsidiary, City Gateway Enterprises Limited which was incorporated in the United Kingdom on 8 October 2012. A summary of its trading results is shown below. The investment in this subsidiary is included in the charity balance sheet at a value of £100. The net liabilities of the subsidiary are £6,272)

|                                 | <b>Year ended<br/>31 August<br/>2020</b> | <b>Year ended<br/>31 August<br/>2019<br/>£</b> |
|---------------------------------|------------------------------------------|------------------------------------------------|
| Turnover                        | 50,343                                   | 63,846                                         |
| Cost of sales                   | (28)                                     | (32,798)                                       |
| Gross profit                    | 50,315                                   | 31,048                                         |
| Administrative expenses         | (49,810)                                 | (37,926)                                       |
| Distribution                    | -                                        | (27,104)                                       |
| Retained in the subsidiary      | 505                                      | (33,982)                                       |
| Total assets of subsidiary      | 7,373                                    | 47,084                                         |
| Total liabilities of subsidiary | (13,745)                                 | (53,862)                                       |
| Equity shareholders' deficit    | (6,372)                                  | (6,778)                                        |
| Share capital                   | 100                                      | 100                                            |
| Net liabilities                 | (6,272)                                  | (6,678)                                        |

**16. GUARANTEE STATUS**

The company is limited by guarantee, which means that every member undertakes to contribute to the assets of the charity in the event of a winding up, such amounts as may be required not exceeding one pound.

**City Gateway**  
**Notes to the financial statements for the year ended 31 August 2020**

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**17. GIFTS IN KIND**

During the year the charity received services in kind from corporate supporters. These services included room hire for various events, a strategy review and legal advice throughout the year as well as various other kinds of support. Specific items have been detailed below; other services have not been included in the financial statements because the trustees have not been able to accurately assess what the value of these gifts amounts to.

|                                 | 2020<br>£    | 2019<br>£      |
|---------------------------------|--------------|----------------|
| Bain & Co                       | -            | 400,000        |
| Inflexion                       | 3,600        | -              |
| Sherwood PSF Consulting Limited | 3,000        |                |
| Dentons LLP                     | 1,929        | 37,436         |
| Eden McCallum LLP               | 800          | 33,500         |
| Chatham Financial Europe Ltd    | -            | 3,500          |
| <b>Total</b>                    | <b>9,329</b> | <b>474,436</b> |

**18. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the charity had commitments under non-cancellable operating leases as follows:

|                         | Land and buildings<br>2020<br>£ | 2019<br>£      |
|-------------------------|---------------------------------|----------------|
| Less than 1 year        | 161,168                         | 80,584         |
| Between 2 and 5 years   | 419,038                         | 547,972        |
| After more than 5 years | -                               | 32,234         |
| <b>Total</b>            | <b>580,206</b>                  | <b>660,790</b> |

**19. RELATED PARTY TRANSACTIONS**

Due to the nature of the Charity's operations and composition of its Trustees, it is possible that there will be transactions from time to time between the Charity and organisations with which Trustees of the Charity have a relationship. If such transactions do occur, they are conducted on an arm-length basis and in compliance with the Charity's Financial Regulations and Policies.

During the period, City Gateway engaged in the following transactions with the wholly owned subsidiary City Gateway Enterprises Limited:

- City Gateway received distributions of £nil (2019: £27,104) from City Gateway Enterprises Limited.
- City Gateway Enterprises Limited recharged consultants' costs of £40,700 (2019: £nil) to City Gateway during the year.
- As at 31 August 2020 a balance of £2,703 (2019: £22,852) was due from City Gateway Enterprises Ltd.

During the year purchases of £3,231 (2019: £ nil) were made from the Honeyrock Ltd, a company where a family member of City Gateway executive is a Director and shareholder.

**20. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds and amounted to £62,000 (2019 - £83,842). At the year end there were outstanding refunds of £nil(2019: £nil).

**21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

|                                    | <b>General funds</b> | <b>Restricted Funds</b> | <b>2019<br/>Total Funds</b> |
|------------------------------------|----------------------|-------------------------|-----------------------------|
|                                    | <b>£</b>             | <b>£</b>                | <b>£</b>                    |
| <b>Income</b>                      |                      |                         |                             |
| Donations and legacies             | 1,253,780            | 301,172                 | 1,554,952                   |
| Income from Investments            | 355                  | -                       | 355                         |
| Income from charitable activities  | 801,460              | 177,766                 | 978,906                     |
| <b>Total income</b>                | <b>2,055,275</b>     | <b>478,938</b>          | <b>2,534,213</b>            |
| <b>Expenditure</b>                 |                      |                         |                             |
| Charitable activities              | 2,332,060            | 480,030                 | 2,812,090                   |
| <b>Total expenditure</b>           | <b>2,332,060</b>     | <b>480,030</b>          | <b>2,812,090</b>            |
| <b>Net (expenditure)</b>           | <b>(276,785)</b>     | <b>(1,092)</b>          | <b>(277,877)</b>            |
| Total funds brought forward        | 375,110              | 1,092                   | 376,202                     |
| <b>Total funds carried forward</b> | <b>98,325</b>        | <b>-</b>                | <b>98,325</b>               |