

# GATEWAY QUALIFICATIONS LIMITED

England & Wales · Charity number 1114282

## Details

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Other names	OPEN COLLEGE NETWORK EASTERN REGION, GATEWAY QUALIFICATIONS
Status	Registered
Legal form	Charitable company
Company number	<a href="#">05502449</a>
Registered	2006-05-18
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	6 Tollgate Business Park Tollgate West Stanway Colchester CO3 8AB
Phone	01206 911211
Email	<a href="mailto:enquiries@gatewayqualifications.org.uk">enquiries@gatewayqualifications.org.uk</a>
Website	<a href="http://www.gatewayqualifications.org.uk">www.gatewayqualifications.org.uk</a>

## Activities

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**Objects:** 2. OBJECTS 2.1 THE OBJECTS ("THE OBJECTS") FOR WHICH THE CHARITY IS ESTABLISHED ARE THE ADVANCEMENT OF LEARNING AND EDUCATION OF THE PUBLIC BY IN PARTICULAR, BUT NOT EXCLUSIVELY, ONE OR MORE OF THE FOLLOWING WAYS:-2.1.1 BY PROMOTING AND WIDENING PARTICIPATION IN EDUCATION AND TRAINING, PARTICULARLY BY THOSE WHO HAVE BENEFITED LEAST FROM EXISTING PROVISION;2.1.2 BY IMPROVING THE QUALITY AND FLEXIBILITY OF EDUCATION AND TRAINING PROVISION FOR THE PUBLIC BENEFIT, PRIMARILY FOR THOSE LEARNERS WHO HAVE PREVIOUSLY BEEN EXCLUDED FROM EDUCATIONAL OPPORTUNITIES;2.1.3 BY IMPROVING THE EDUCATIONAL WELFARE AND ACCESS TO LEARNING OPPORTUNITIES AND FACILITATING PROGRESSION TO FURTHER LEARNING, EMPLOYMENT AND HIGHER EDUCATION PARTICULARLY THROUGH THE AWARD OF CREDITS AND CREDIT-BASED QUALIFICATIONS;2.1.4 BY SUPPORTING THE ARRANGEMENTS OF OFQUAL, THE NATIONAL OPEN COLLEGE NETWORK AND THE QUALITY ASSURANCE AGENCY FOR HIGHER EDUCATION OR THE APPROPRIATE AGENCY ACTING ON BEHALF OF THE DEPARTMENT FOR EDUCATION AND THE DEPARTMENT FOR BUSINESS INNOVATION AND SKILLS OR RELEVANT GOVERNMENT DEPARTMENTS TO MONITOR THE TERMS OF THEIR LICENCES;2.1.5 IMPROVING ACCESS TO HIGHER EDUCATION BY ESTABLISHING, CARRYING ON AND CONDUCTING THE PRINCIPLES OF THE AWARD OF CREDITS AND CREDIT-BASED LEARNING THROUGH LICENSING ARRANGEMENTS WITH OFQUAL, THE NATIONAL OPEN COLLEGE NETWORK AND OPERATING AS AN ACCESS VALIDATING AGENCY UNDER LICENCE FROM THE QUALITY ASSURANCE AGENCY FOR HIGHER EDUCATION OR THE APPROPRIATE AGENCY ACTING ON BEHALF OF THE DEPARTMENT FOR EDUCATION;2.1.6 BY ENCOURAGING AND ASSISTING ORGANISATIONS WITHIN ITS OPERATIONAL AREA TO PROVIDE A WIDER RANGE OF QUALITY ASSURED ACCREDITED LEARNING OPPORTUNITIES;

**Activities:** Awarding Organisation

## Classification

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- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** The General Public/mankind

## Geography

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- **Area of benefit:** IN OR AROUND THE EAST OF ENGLAND AND NORTH AND EAST LONDON (THE REGION) AND ELSEWHERE
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£6,228,627	£5,308,821	£7,373,882	61
2024-07-31	£5,333,178	£3,329,603	£6,454,076	53
2023-07-31	£4,575,436	£3,753,261	£4,450,501	42
2022-07-31	£4,072,733	£3,825,484	£3,628,326	35
2021-07-31	£3,045,012	£2,696,195	£3,381,077	35
2020-07-31	£3,002,700	£2,486,839	£3,032,260	28

## Trustees

Name	Role	Appointed
<b>Anthea Hockly</b>	Chair	2018-07-25
ANNE THOMPSON		
Andrew Horton		2025-07-16
Anne Wright		2023-07-12
Camilla Madeline Kate McCloskey		2025-07-16
Claire Gill		2024-03-13
Clare Jayne Chaffe		2025-07-16
Dr Leon Annett		2024-03-13
Margaret Joojo-Richards		2021-07-14
Mark Hilton		2024-03-13
Paul Huggett		2025-09-24
Paul Whitehead		2019-05-19
Richard James Edward Brennan		2025-07-16
Sammy Abdel Hamid Ibrahim Shummo		2024-03-13
Simon Willmore		2025-07-16

**GATEWAY QUALIFICATIONS LIMITED**

England & Wales - Charity number 1114282

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# Accounts

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**REGISTERED COMPANY NUMBER 05502449**

**REGISTERED CHARITY NUMBER 1114282**

**GATEWAY QUALIFICATIONS LIMITED**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**

**31 JULY 2025**

# GATEWAY QUALIFICATIONS LIMITED

## CONTENTS

	<b>Pages</b>
Legal and administrative information	1 - 2
Strategic Report (including the Directors' Report)	3 - 11
Report of the auditors	12 - 15
Statement of financial activities (including income and expenditure account)	16 - 17
Balance Sheet	18
Statement of cash flows and analysis of changes in net debt	19
Notes to the financial statements	20 - 27

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# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

### **Trustees**

#### **Chair**

David Ruddy (Resigned 31 July 2025)  
Independent

#### **Vice Chair**

Anthea Hockly  
Independent

#### **Other Trustees**

Anne Thompson  
Independent

Alison Davies (Resigned 25 September 2024)  
Chelmsford College

Paul Whitehead  
Harlow College

Gail May  
University of East London

Margaret Joojo-Richards  
Independent

Anne Wright  
Workpays Ltd

Claire Gill  
Independent

Mark Hilton  
BusinessLDN

Leon Annett  
University of Greenwich

Sammy Shumo  
London South Bank University

Andrew Horton (Appointed 16 July 2025)  
British Council

Camilla McCloskey (Appointed 16 July 2025)  
Morgan Stanley

Richard Brennan (Appointed 16 July 2025)  
Kidderminster College

Clare Chaffe (Appointed 16 July 2025)  
Hull College

Simon Willmore (Appointed 16 July 2025)  
BMT Group Ltd

Paul Huggett (Appointed 24 September 2025)  
Hellios Information Ltd

# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Company Secretary</b>	Lorraine Wreford
<b>Chief Executive Officer</b>	Carol Snape (Resigned 31 October 2024) Fabienne Bailey (Appointed 31 October 2024)
<b>Registered Company number</b>	05502449
<b>Registered Charity number</b>	1114282
<b>Address</b>	Gateway House 6 Tollgate Business Park Tollgate West Colchester CO3 8AB
<b>Auditors</b>	Sumer Auditco Limited Statutory Auditor 820 The Crescent Colchester Business Park Colchester CO4 9YQ
<b>Bankers</b>	Barclays PLC 1 Churchill Place Canary Wharf London E14 5HP

# GATEWAY QUALIFICATIONS LIMITED

## STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025

The Board of Trustees, who are also Directors for the purposes of the Companies Act, present their annual report and the financial statements of Gateway Qualifications Limited for the year ended 31 July 2025. The Trustees have adopted the provisions of the FRS 102 Charities SORP and have followed UK generally accepted accounting principles in preparing the Annual Report and Financial Statements of the charity.

Gateway Qualifications Limited was incorporated on 7 July 2005. Open College Network North and East London and Hertfordshire and Open College Network Anglia merged on 1 August 2005 from which date their activities were carried on by Open College Network Eastern Region. The company rebranded to Gateway Qualifications Limited in April 2013 and formally changed the company name to Gateway Qualifications Limited by means of Special Resolution approved by the Members on 5 February 2015.

### Legal and Administrative Information

The Board of Trustees set out below have held office during the whole of the period to the date of this report, unless otherwise stated:

<b>Chair</b>	David Ruddy (Resigned 31 July 2025) Independent
<b>Vice Chair</b>	Anthea Hockly Independent
<b>Other Trustees</b>	Anne Thompson Independent
	Alison Davies (Resigned 25 September 2024) Chelmsford College
	Paul Whitehead Harlow College
	Gail May University of East London
	Margaret Joojo-Richards London Borough of Hounslow Adult and Community Education
	Anne Wright Workpays Ltd
	Claire Gill Independent
	Mark Hilton BusinessLDN
	Leon Annett University of Greenwich

# **GATEWAY QUALIFICATIONS LIMITED**

## **STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025**

### **Other Trustees (continued)**

Sammy Shumo  
London South Bank University

Clare Chaffe (appointed July 2025)  
Hull College Group

Richard Brennam (appointed July 2025)  
Kidderminster College

Simon Willmore (appointed July 2025)  
BMT Engineering

Andrew Horton (appointed July 2025)  
British Council

Camilla McCloskey (appointed July 2025)  
Morgan Stanley

The appointment to the Board of Trustees is by election at a Board Meeting.

### **Senior Leadership Team**

Carol Snape (until 14/10/2024)  
Fabienne Bailey (from 14/10/2024)  
Lorraine Wreford  
Paul Saunders  
Philippa Farrell

The Board of Trustees will establish the salary level of the Chief Executive Officer (CEO) at appointment and will review on an annual basis.

SLT salaries are paid on a fixed (spot) point salary taking responsibility and market rates into account for new appointments. Any increases are based on performance and are approved by the Board of Trustees on the recommendation of the CEO. A review of the Director salaries was undertaken in July 2025 and increases to match market rates for 2025/26 were approved.

Professional Indemnity Insurance was in place throughout the year for the Trustees.

### **Objectives and Organisation Structure**

Gateway Qualifications Limited is a company limited by guarantee and a registered charity. The charity's governing document is its Articles of Association, originating from its inauguration and updated by Special Resolution on 16 October 2019. The Objects of the charity are reported below under Objectives and Activities.

The charity drew its initial Trustees from the inaugural members of the company as the signatories to the Articles of Association. Subsequent Trustees are recruited through a search process instigated by the Board of Trustees. Any appointments made to the Board of Trustees are required to be ratified at the next Board Meeting. In May 2025, the company appointed a sector recruitment agency to support its search for new Trustees. The process was successful in securing 5 new Trustees who whose nominations were approved at the July 2025 Board meeting.

# **GATEWAY QUALIFICATIONS LIMITED**

## **STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025**

The Board of Trustees has established four committees, a Finance and General Purposes Committee, a Quality and Standards Committee, an Access to Higher Education Committee and a Governance Committee. The remit and terms of reference for these committees are clearly set out and included in the charity's Governance Manual. Any decisions made by these committees are either made with the delegated authority of the Board of Trustees, or are referred to the Board of Trustees for ratification. All four committees have a Chair and Vice Chair who are Trustees, and any members of the committees who are not Trustees need to be approved by the Board of Trustees.

Performance of the Trustees is conducted via a process of individual self-evaluation linked to an annual skills audit and performance review conducted by the Chair of the Board, and an established Governance Committee reviews and updates continuing professional development on an on-going basis. The regulatory requirement for on-going self-evaluation further informs the process.

In setting Gateway Qualifications' strategic aims and objectives, the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit. In doing so, the Board of Trustees has complied with its duties in this area as set out in section 4 of the Charities Act 2006.

### **Regulators**

During the year ended July 2025, Gateway Qualifications was approved to operate as an awarding organisation in England and Wales through Ofqual and Qualifications Wales, and as an Access Validating Agency, licensed by the Quality Assurance Agency for Higher Education (QAA) to validate Access to Higher Education programmes and to issue Access to HE certificates to learners. 2024/25 was also the first full year for Gateway Qualifications in its operation as an End Point Assessment Organisation developing apprenticeship standards and awarding apprenticeship qualifications, also regulated by Ofqual.

### **Membership**

In January 2019, based on legal advice, the Board of Trustees approved that the company assume a "foundation structure". The "foundation structure" was adopted by special resolution by the Members in September 2019. By adoption of the Foundation Structure, Membership of the Charity is automatically held by the Trustees of the Charity. Should a Trustee resign from their position as a Trustee, they will be automatically removed from the Membership of the Charity.

### **Risks and Reserves**

Gateway Qualifications Limited Board of Trustees has three layers of reserves requirements. The Operational Reserve is set to cover the peaks and troughs in the business cycle, the Opportunistic Reserve enabling the company to invest in opportunities without the need to compromise the Operational Reserve, and the longer-term reserve which is intended to reduce the impact upon the company of large changes within the external environment.

Gateway Qualifications Limited Board of Trustees is pleased to report that for the year ended July 2025, the reserve requirements have been fully achieved. The operational reserve, being seven months of budgeted cost was £3,229,762, the opportunistic reserve is £500,000 and the long term reserve has reached £3,644,120 exceeding the target of £1,000,000. The total reserves figure of £7,373,882 at the end of the financial year places the company in a favourable financial position for the forthcoming years.

# **GATEWAY QUALIFICATIONS LIMITED**

## **STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025**

### **Risk Management**

The Board of Trustees continues to oversee work to mitigate risk to the company by the adoption of a risk-based approach to all of the company's work, and the tight tracking of the level of risk both at strategic and operational level. Risk identification is proportionately aligned to the strategic and operating plans of Gateway Qualifications Limited and monitored and managed at monthly review meetings. In 2024/25, the Senior Leadership Team worked with the Board of Trustees to carry out a full review of the strategic risk register, which resulted in a more streamlined approach providing greater clarity, focus, and usability, which has improved decision-making and board-level oversight.

The Risk and Issue Management Policy ensures that risk identification happens at operational as well as strategic levels, with each team and project operating their own risk register linking into an identified escalation process. Team meetings continue to act as a means of identifying potential risk areas. In addition:

- All Board and management meetings have risk and issue management as a standard agenda item.
- A risk-based monitoring approach to managing Centres is embedded.
- Quality improvement continues to be a focus for all provision.

The major risks to which the charity is exposed are reviewed and set out in the Business Continuity Plan, together with the systems established to mitigate those risks.

The strategic risks facing the charity throughout the year were identified as follows:

- Inability to maintain business resilience - Internal and external resources are not available or sufficient to carry on the business of the Awarding Organisation
- Inability to respond to technical advances
- Failure to maintain regulatory Compliance
- Lack of clarity from Government on Policy changes affecting ability to respond

Controls used to mitigate these risks include:

- Annual and longer-term resource and development planning to ensure sufficient capacity and skills of staff
- Digital Transformation is a Strategic Aim within the new 5-year strategic plan and developments will be project managed through the new Strategic Implementation Plan (SIP30)
- Constant review and reporting of regulatory compliance through internal Committees, the Board of Trustees and to the regulators
- A key focus on sector body engagement to keep abreast of all current and upcoming policy developments impacting Gateway Qualifications

# GATEWAY QUALIFICATIONS LIMITED

## STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025

### Objectives and Activities

#### Charitable Objects and Public Benefit

The objects ("the Objects") for which the Charity is established are the advancement of learning and education of the public by in particular, but not exclusively, one or more of the following ways:-

by promoting and widening participation in education and training, particularly by those who have benefited least from existing provision;

by improving the quality and flexibility of education and training provision for the public benefit, particularly for those learners who have previously been excluded from educational opportunities;

by improving the educational welfare and access to learning opportunities and facilitating progression to further learning, employment and higher education particularly through regulated qualifications; by complying with the various regulators or the appropriate agency acting on behalf of the Department for Education or relevant government departments or bodies; improving access to higher education by establishing, operating as an Access Validating Agency under licence from The Quality Assurance Agency for Higher Education according to the principles of the diploma specification; and by encouraging and assisting organisations to provide a wider range of quality assured accredited learning opportunities.

In order to achieve these objectives Gateway Qualifications Limited develops and awards regulated qualifications including Access to HE Diplomas. This offer ranges primarily from Entry Level to Level Six for which Gateway Qualifications Limited undertakes quality assurance and awarding activities to certificate learners who achieve qualifications, and where applicable, units.

In 2025, as part of its strategic implementation programme, the Charity launched a pilot to develop 2 new products to support its charitable objectives i.e. Tailored Qualifications from Entry Level to Level 7 and the Quality Mark (non-assessed and non-levelled). Both new products are non-regulated and aim to meet the learning needs of individuals supported by organisations not requiring regulated qualifications.

Gateway Qualifications Limited has had regard to the Charity Commission's guidance on public benefit. The principles, and the relevance of the activities of Gateway Qualifications Limited to these principles, are set out below:

*Principle 1: there must be an identifiable benefit or benefits*

Gateway Qualifications Limited works to achieve widening participation and educational opportunities in further and higher education and in other education providers by improving the quality and flexibility of education and training provision.

*Principle 2: Benefit must be to the public or section of the public*

Gateway Qualifications Limited focuses on the public in England and Wales, especially those learners who have previously not had the full benefit of educational opportunities.

# **GATEWAY QUALIFICATIONS LIMITED**

## **STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025**

### **Charitable Objects and Public Benefit – (continued)**

Gateway Qualifications' Strategic Aims for 2025/26 are:

1. Innovation in Product
2. Digital Transformation
3. Quality Management System and a Customer Focussed Culture

Gateway Qualifications' goals and milestones for achieving these objectives are detailed in its 2025 to 2030 Strategic Plan and its 2025/26 Operating Plan.

### **Achievement and Performance**

The change of government in June 2024, created further policy change to the education and skills sector. The most significant changes in the year were the introduction of Skills England and the changes to apprenticeships policy. Gateway Qualifications will need to wait further into 2025/26 to understand the outcomes of the Curriculum and Assessment Review, any further changes to Post 16 technical education and changes resulting from Apprenticeship Reform. The high level of uncertainty in the sector has made it challenging to develop across the year but despite these challenges, Gateway Qualifications Limited achieved a year end income figure of £6.2m

### **Achievements 2024/25**

- Income of £6.2 million being £0.9 million higher than 2023/24
- Achieved more than 118,000 qualification registrations in one year for the first time
- Successfully closed six projects as part of the Strategic Implementation Programme 2025
- Went live as an End Point Assessment Organisation and had a successful first year becoming approved for seven standards
- Went live with 21 redeveloped Access to HE Diplomas
- Pilot of non-regulated product offer launched with 25 products being made live
- Went live with five bespoke regulated qualifications
- Award winners at the Federation of Awarding Bodies Conference 2024 for three categories: Qualification of the Year, Provider Relationship of the Year, Individual of the Year
- Award winners at the E-Assessment Association Annual Awards for our Equity in Prisons project
- Recruitment of 12 additional staff
- Significant presence and success at conferences, particularly through sponsorship and breakout sessions at AoC and AELP
- Extension of the MoJ contract to run ESOL Skills for Life in prisons
- 63 webinars run, 3,059 registrants, 1,346 attended live (44% attendance rate), with an additional 1,095 on-demand views
- Successful first internship for Marketing to support work auditing and updating our website content
- Successful rollout of enhanced account management service
- Successful transition from outgoing CEO to new CEO from October 2024
- Five new Trustees recruited
- Contributed to a range of government consultations highlighting the need for tailored flexible provision
- Designed and launched an updated certificate design

# **GATEWAY QUALIFICATIONS LIMITED**

## **STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025**

### **Achievements 2024/25 - continued**

- Working in collaboration with organisations with shared values including Youth Employment UK, FutureDotNow, Institute of Employability Professionals, and the Social Recruitment Advocacy Group

### **Review of Financial Position**

The company achieved income of £6.2 million which is a 16.8% increase compared with the previous year. The increase was derived from new business with new customers as well as growing business with existing customers.

Total expenditure for the year was £5.3 million, which was £2.0 million more than 2023/24. However, the primary reason for additional costs related to the prior year full release of the £1.4 million Pension Provision. Underlying costs were £0.6 million higher than the previous year primarily as a result of higher staff costs, moderation costs and certification costs to service additional business. Temporary and freelance people costs went down as these costs were transferred to permanent staffing. Legal costs were reduced in the year due to less requirements for reviews of contracts or other advice.

The overall outturn is a surplus of £0.9 million, which is £1.1 million less than the previous year, but is £0.3 million more with the exclusion of the pension provision adjustment.

Reserves at year end are £7.4 million and equate to 156% of the total reserve policy having been achieved.

As in the previous year, throughout 2024/25 the charity has worked to raise its profile with the intention of ensuring that as many learning providers and learners as possible are aware of the services and benefits available from Gateway Qualifications. Particular activities which have taken place in this respect are:

- Chief Executive Officer meetings with Principals and Vice Principals of FE Colleges and other providers
- Charitable support to learners and learning providers by sponsorship and other means
- Expansion of the company' footprint, bringing the opportunity of Gateway Qualifications provision to all parts of England and Wales
- Significant programme of webinars, many of which were thought leadership, sharing with centres and others not yet working with Gateway Qualifications e.g. guiding through the complexities of education funding
- Increased presence at exhibitions and conferences, including running workshops and seminars, supporting the use of Gateway Qualifications product offer
- Engagement with online events, whether they be with regulators, funders or other key stakeholders, in support of maintaining, and in some cases, defending, the funded provision for our centres and learners who benefit from our charitable purpose
- Sponsorship of a number of key activities and initiatives designed to support disadvantaged learners to achieve their learning ambitions

# **GATEWAY QUALIFICATIONS LIMITED**

## **STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025**

### **Review of Financial Position - continued**

The charity continues to advance education for the general public through the development and provision of regulated qualifications and units, which, provided acceptable quality standards are demonstrated, are offered to all members of the public. Gateway Qualifications Limited continues to demonstrate its objective of widening participation in education by working with groups and communities for which traditional or formal education is not appropriate, for example learners at lower educational levels, learners with few formal qualifications, young learners not in employment, education or training, learners at risk of offending or learners based in offender institutions and adult learners looking for an appropriate route into higher education.

### **Board of Trustees' responsibilities for the financial statements**

The trustees (who are also directors of Gateway Qualifications Limited for the purposes of company law) are responsible for preparing the Annual Report (including the Strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditor is unaware; and

# **GATEWAY QUALIFICATIONS LIMITED**

## **STRATEGIC REPORT (INCLUDING THE DIRECTORS' REPORT) YEAR ENDED 31 JULY 2025**

### **Board of Trustees' responsibilities for the financial statements – continued**

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditor**

The auditor, Sumer Auditco Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Approval**

Anthea Hockley Chair to the Board at the Board of Trustees meeting dated

Approved by the Board of Trustees on 10-Dec-2025 and signed on their behalf by

Anthea Hockley

Anthea Hockley (Dec 11, 2025 09:30:37 GMT)

**A Hockly**

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Opinion**

We have audited the financial statements of Gateway Qualifications Limited (the charitable company) for the year ended 31 July 2025 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the Statement of Cash Flows and analysis of changes in net debt 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 directors' report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report have been prepared in accordance with applicable legal requirements.

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

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

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

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

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 10 and 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Director of Finance (as required by auditing standards) and senior management, inspection of the Charity's regulatory and legal correspondence and discussed with the Director of Finance the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with the requirements of OFQUAL, The Charity Commission, Qualification Wales, QAA, health and safety, corporate governance including safeguarding and wellbeing, human rights and employment law, anti-bribery and corruption and UK GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of those charged with governance and other management and inspection of regulatory and legal correspondence, if any.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED

## Auditor's responsibilities for the audit of the financial statements (continued)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Charity complies with such regulations, enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Piers Harrison

Senior Statutory Auditor

For and on behalf of Sumer Auditco Limited  
Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2025

	Unrestricted funds 2025 Total £	Unrestricted funds 2024 Total £
<b>Donations</b>		
Donations received – intangible income	110	1,170
	<u>          </u>	<u>          </u>
<b>Income from charitable activities</b>		
Annual centre approval fees	367,268	345,867
Learner registration	5,586,026	4,767,577
Replacement certificate fees	8,752	11,197
Sundry income	148,667	109,380
Bank interest	117,804	97,987
	<u>          </u>	<u>          </u>
	6,228,517	5,332,008
	<u>          </u>	<u>          </u>
<b>Total Income</b>	6,228,627	5,333,178
	<u>          </u>	<u>          </u>
<b>Expenditure on charitable activities</b>		
Rent and rates	67,262	65,585
Staff costs	3,283,453	2,677,789
USS pension provision release	-	(1,418,908)
Temporary staff costs	3,746	33,108
Moderation and quality assurance fees	438,120	366,082
Moderation and quality assurance travel and expenses	14,958	33,851
Certificates	171,629	84,056
Travel and subsistence	80,325	43,457
Printing, postage and stationery	5,782	32,699
Recruitment	52,313	111,799
Staff related costs	82,540	56,983
Payroll and pension administration charges	2,280	2,280
Bad debts	(1,742)	(2,768)
Depreciation	43,585	41,357
Insurance	12,647	11,010
	<u>          </u>	<u>          </u>
<b>Expenditure - carried forward</b>	4,256,898	2,138,380

**GATEWAY QUALIFICATIONS LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 JULY 2025**

	<b>Unrestricted funds 2025 Total £</b>	<b>Unrestricted funds 2024 Total £</b>
<b>Expenditure - brought forward</b>	<b>4,256,898</b>	2,138,380
<b>Expenditure on charitable activities – (continued)</b>		
Legal and professional	<b>8,330</b>	62,936
Professional subscriptions	<b>5,999</b>	713
ICT costs	<b>480,433</b>	412,988
Office equipment	<b>26,238</b>	47,393
Marketing and publicity	<b>257,904</b>	266,779
Equipment rental	<b>2,202</b>	954
Bank charges	<b>933</b>	1,012
Interest payable	<b>-</b>	31,901
Awarding organisation status costs	<b>21,097</b>	15,367
Qualification and assessment development costs	<b>145,915</b>	139,535
Consultancy	<b>58,400</b>	170,822
QAA	<b>25,099</b>	22,798
Auditors' remuneration	<b>12,420</b>	11,274
Hospitality	<b>5,921</b>	6,751
Loss on disposals	<b>1,032</b>	-
<b>Total expenditure</b>	<b>5,308,821</b>	3,329,603
<b>Net income for the year</b>	<b>919,806</b>	2,003,575
<b>Balance brought forward at 1 August 2024</b>	<b>6,454,076</b>	4,450,501
<b>Balance carried forward at 31 July 2025</b>	<b>7,373,882</b>	6,454,076

The statement above includes all gains and losses recognised in each of the above two years.

There was no other comprehensive income in either of the above two years.

All activities relate to continuing operations.

# GATEWAY QUALIFICATIONS LIMITED

## BALANCE SHEET AS AT 31 JULY 2025

	Notes	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	5	<u>52,528</u>	<u>71,420</u>
<b>Current assets</b>			
Debtors	6	803,164	739,453
Cash at bank and in hand		<u>7,430,795</u>	<u>6,357,440</u>
		<b>8,233,959</b>	7,096,893
<b>Creditors: amounts falling due within one year</b>	7	<u>912,605</u>	<u>714,237</u>
<b>Net current assets</b>		<u>7,321,354</u>	<u>6,382,656</u>
<b>Total assets less current liabilities</b>		<b>7,373,882</b>	6,454,076
<b>Provisions</b>	8	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u><b>£7,373,882</b></u>	<u>£6,454,076</u>
<b>Funds</b>			
Unrestricted funds		<u><b>£7,373,882</b></u>	<u>£6,454,076</u>

Approved by the Board of Trustees on 10-Dec-2025 and signed on its behalf by

  
Anthea Hockly (Dec 11, 2025 09:30:37 GMT)

**A Hockly**

Company Number: 05502449  
Charity Number: 1114282

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2025

	2025 £	2024 £
<b>Net income</b>	<b>919,806</b>	2,003,575
Add Depreciation	43,585	41,357
Loss on disposal of fixed assets	1,032	-
Less interest received	<b>(117,804)</b>	(97,987)
Add interest paid	-	31,901
(Increase) in debtors	<b>(63,711)</b>	(181,202)
Increase in creditors	<b>198,368</b>	139,482
(Decrease) in provisions	-	(1,387,006)
<b>Cash generated from operating activities</b>	<b>981,276</b>	550,120
<b>Cash flows from investing activities</b>		
Interest received	117,804	97,987
Purchase of tangible fixed assets	<b>(27,739)</b>	(30,042)
Proceeds from sale of fixed assets	2,014	-
<b>Cash generated from investing activities</b>	<b>92,079</b>	67,945
<b>Cash flows from financing activities</b>		
Interest paid	-	(31,901)
<b>Cash expended on financing activities</b>	-	(31,901)
<b>Increase in cash and cash equivalents during the year</b>	<b>1,073,355</b>	586,164
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,357,440</b>	5,771,276
<b>Cash and cash equivalents at the end of the year</b>	<b>£7,430,795</b>	£6,357,440
<b>Analysis of changes in net debt</b>		
Cash at bank and in hand:		
At 1 August	6,357,440	5,771,276
Cashflows	1,073,355	586,164
At 31 July	<b>£7,430,795</b>	£6,357,440

# **GATEWAY QUALIFICATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025**

### **1 GENERAL INFORMATION**

Gateway Qualifications Limited is a charitable company limited by guarantee, incorporated in England and Wales, registered company number 05502449 and registered charity number 1114282. The address of the registered office is Gateway House, 6 Tollgate Business Park, Tollgate West, Colchester, CO3 8AB.

### **2 ACCOUNTING POLICIES**

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The following principal accounting policies have been applied:

#### ***Going concern***

Having considered the charitable company's forecasts and projections the Trustees are satisfied that the charitable company has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. The Trustees also consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### ***Income and expenditure***

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts and rebates.

Income and expenditure are accounted for on an accruals basis.

Income and expenditure are allocated in the Statement of Financial Activities on a basis which is considered to best reflect the day to day operations of the charitable company.

#### ***Leasing***

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenses on a straight line basis over the period of the lease.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

### 2 ACCOUNTING POLICIES – (continued)

#### *Taxation*

The company is a charitable company within the meaning of Part 11, Corporation Tax Act 2010. Accordingly it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

#### *Tangible fixed assets*

Gateway Qualifications Limited has adopted a policy of capitalisation of fixed assets costing over £1,000. Tangible Fixed Assets are recorded in the financial statements at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	4 years straight line
Equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

#### *Pensions*

The charitable company participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charitable company is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charitable company therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The charitable company recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

### 2 ACCOUNTING POLICIES – (continued)

#### *Cash and cash equivalents*

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

#### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- short term debtors (financial assets) are measured at the transaction price
- short term creditors (financial liabilities) are measured at the transaction price.

#### *Significant judgements and estimates*

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and had therefore previously recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the 31 July 2023 financial statements. In the year ended 31 July 2024, the recognition of the liability was not required as the scheme was no longer in a deficit and the provision was fully released.

Estimates were made over the discount rate, staff changes and wage inflation in relation to the USS pension provision.

### 3 NET EXPENDITURE FOR THE YEAR

The net expenditure is stated after charging:

	2025	2024
	£	£
Depreciation of tangible fixed assets	43,585	41,357
Auditors' remuneration in respect of audit services	12,420	11,274
Operating lease payments	55,313	53,983
	<u>111,318</u>	<u>106,614</u>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

### 4 STAFF COSTS

	2025 £	2024 £
Wages and salaries	2,650,676	2,177,050
Social security costs	322,259	228,687
Pension costs (note 10)	310,518	(1,146,856)
	<u>3,283,453</u>	<u>1,258,881</u>

The monthly number of employees, calculated on a full time basis, during the year was made up as follows :

Management, administration and service provision	<u>60</u>	<u>51</u>
--------------------------------------------------	-----------	-----------

The monthly number of employees, calculated on an actual basis, during the year was made up as follows :

Management, administration and service provision	<u>61</u>	<u>53</u>
--------------------------------------------------	-----------	-----------

#### Higher paid employees

£60,000 to £69,999	2	2
£70,000 to £79,999	1	2
£80,000 to £89,999	3	-
£90,000 to £99,999	-	1
£100,000 to £109,999	-	1
£110,000 to £119,999	1	1
	<u>7</u>	<u>7</u>

The total employer pension contribution for the higher paid employees above totalled £72,757 (2024 : £66,704).

Senior management team remuneration totalled £459,868 (2024 : £463,928).

No members of the Board of Trustees received remuneration for their role as trustees. A total of £395 was reimbursed to some trustees during the year (2024: £280) in relation to travel costs.

Indemnity insurance is maintained covering members of the Board in their capacity as trustees and directors.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

### 5 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 August 2024	7,258	29,914	147,405	184,577
Additions	-	-	27,739	27,739
Disposals	-	-	(14,398)	(14,398)
	<u>7,258</u>	<u>29,914</u>	<u>160,746</u>	<u>197,918</u>
At 31 July 2025	<u>7,258</u>	<u>29,914</u>	<u>160,746</u>	<u>197,918</u>
<b>Depreciation</b>				
At 1 August 2024	1,720	17,205	94,232	113,157
Charge for year	726	6,916	35,943	43,585
Disposals	-	-	(11,352)	(11,352)
	<u>2,446</u>	<u>24,121</u>	<u>118,823</u>	<u>145,390</u>
At 31 July 2025	<u>2,446</u>	<u>24,121</u>	<u>118,823</u>	<u>145,390</u>
<b>Net book value</b>				
At 31 July 2025	<u>4,812</u>	<u>5,793</u>	<u>41,923</u>	<u>52,528</u>
At 31 July 2024	<u>5,538</u>	<u>12,709</u>	<u>53,173</u>	<u>71,420</u>

### 6 DEBTORS

	2025 £	2024 £
Prepayments and other debtors	306,078	205,169
Fees receivable	467,004	521,268
Accrued Income	30,082	13,016
	<u>803,164</u>	<u>739,453</u>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	306,110	139,692
Accruals	172,094	169,996
Deferred income	361,600	350,400
Taxation and social security	72,801	53,901
Other creditors	-	248
	<u>912,605</u>	<u>714,237</u>

All deferred income relates to amounts deferred in the current year.

### 8 PROVISIONS

	2025 £	2024 £
<b>USS pension scheme funding plan</b>		
Balance brought forward	-	1,387,006
Movement in year	-	(1,387,006)
	<u>-</u>	<u>-</u>

The USS pension scheme was in a deficit in 2023 and a funding plan had been agreed which covered the period to 31 March 2038. In 2024 this scheme was in a surplus on a technical provision basis. The charitable company was no longer required to make deficit recovery contributions from 1 January 2024 and the provision was released to the statement of financial activities.

### 9 RELATED PARTY TRANSACTIONS

Due to the nature of the charitable company's operations and the composition of the Board members (being drawn from member organisations) it is possible that transactions will take place with Colleges in which members of the Board may have interests, by reason only of being employed by such Colleges.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

### 10 COMMITMENTS

#### Lease commitments – operating leases

At 31 July 2025 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	42,840	45,234
Later than 1 year and not later than 5 years	171,360	171,360
Later than 5 years	70,539	113,379
	<u>284,739</u>	<u>329,973</u>

#### Pension commitments

The charitable company had a principal pension scheme for employees in the year. This was the University Superannuation Scheme (USS).

USS is a defined benefit scheme, made up of a defined benefit pension called the Retirement Income Builder and a defined contribution pension called the Investment Builder, which is externally funded and valued every three years using the projected unit method.

The scheme was contracted out of the State Earnings-Related Pension Scheme.

#### Universities Superannuation Scheme

The total cost/(credit charged)/(released) to the income and expenditure account is £310,518 (2024 : (£1,146,856)) as included in note 4. This is made up of the FRS 102 pension provision adjustment of Nil (2024: (£1,418,908)) and pension contributions of £310,518 (2024: £272,052).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 8, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The charitable company was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account in the prior year.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the charitable company cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

### 10 COMMITMENTS – continued

#### Universities Superannuation Scheme – (continued)

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

Price inflation (CPI)	–	3.0% p.a. (based on a long term-average expected level of CPI, Consumer Prices Index broadly consistent with long-term market expectations)
RPI/CPI gap		1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)		Benefits with no cap: CPI assumption plus 3bps  Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)		Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme’s experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

#### 2023 valuation

Mortality base table:	101% of S2PMA “light” for males and 95% of S3PFA for females
Future improvements to mortality:	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are

	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.4
Males currently aged 45 (years)	25.7	25.6
Females currently aged 45 (years)	27.2	27.2







# Gateway Financial Statements FYE25 for signing

Final Audit Report

2025-12-11

Created:	2025-12-11
By:	Lorraine Wreford (lorraine.wreford@gatewayqualifications.org.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUAjJEyz40Qp8khWRcfLamsHN1AS54whC

## "Gateway Financial Statements FYE25 for signing" History

-  Document created by Lorraine Wreford (lorraine.wreford@gatewayqualifications.org.uk)  
2025-12-11 - 8:37:35 AM GMT
-  Document emailed to Anthea (anthea.hockly@btinternet.com) for signature  
2025-12-11 - 8:37:42 AM GMT
-  Email viewed by Anthea (anthea.hockly@btinternet.com)  
2025-12-11 - 9:26:04 AM GMT
-  Signer Anthea (anthea.hockly@btinternet.com) entered name at signing as Anthea Hockly  
2025-12-11 - 9:30:35 AM GMT
-  Document e-signed by Anthea Hockly (anthea.hockly@btinternet.com)  
Signature Date: 2025-12-11 - 9:30:37 AM GMT - Time Source: server
-  Agreement completed.  
2025-12-11 - 9:30:37 AM GMT

**GATEWAY QUALIFICATIONS LIMITED**

England & Wales - Charity number 1114282

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# Accounts

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REGISTERED COMPANY NUMBER 05502449

REGISTERED CHARITY NUMBER 1114282

**GATEWAY QUALIFICATIONS LIMITED**  
(A company limited by guarantee)

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**31 JULY 2024**

# GATEWAY QUALIFICATIONS LIMITED

## CONTENTS

	<b>Pages</b>
Legal and administrative information	1 - 2
Report of the Board of Trustees	3 - 10
Report of the auditors	11 - 14
Statement of financial activities (including income and expenditure account)	15 - 16
Balance Sheet	17
Statement of cash flows and analysis of changes in net debt	18
Notes to the financial statements	19 - 26

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# GATEWAY QUALIFICATIONS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

### Trustees

#### Chair

David Ruddy  
Independent

#### Vice Chair

Lynsi Hayward-Smith (Resigned 13 March 2024)  
Independent

Alison Davies (Resigned 25 September 2024)  
Chelmsford College

#### Other Trustees

Anne Thompson  
Independent

Anthea Hockly  
Independent

Paul Whitehead  
Harlow College

Gail May  
University of East London

Margaret Joojo-Richards  
London Borough of Hounslow Adult and Community Education

Anne Wright  
Workpays Ltd

Claire Gill (Appointed 13 March 2024)  
Independent

Mark Hilton (Appointed 13 March 2024)  
BusinessLDN

Leon Annett (Appointed 13 March 2024)  
University of Greenwich

Sammy Shumo (Appointed 13 March 2024)  
London South Bank University

# GATEWAY QUALIFICATIONS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Company Secretary</b>	Lorraine Wreford
<b>Chief Executive Officer</b>	Carol Snape (Resigned 31 October 2024) Fabienne Bailey (Appointed 31 October 2024)
<b>Registered Company number</b>	05502449
<b>Registered Charity number</b>	1114282
<b>Address</b>	Gateway House 6 Tollgate Business Park Tollgate West Colchester CO3 8AB
<b>Auditors</b>	Sumer Auditco Limited Statutory Auditor 820 The Crescent Colchester Business Park Colchester CO4 9YQ
<b>Bankers</b>	Barclays PLC 1 Churchill Place Canary Wharf London E14 5HP

# GATEWAY QUALIFICATIONS LIMITED

## REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024

The Board of Trustees, who are also Directors for the purposes of the Companies Act, present their annual report and the financial statements of Gateway Qualifications Limited for the year ended 31 July 2024. The Trustees have adopted the provisions of the FRS 102 Charities SORP and have followed UK generally accepted accounting principles in preparing the Annual Report and Financial Statements of the charity.

Gateway Qualifications Limited was incorporated on 7 July 2005. Open College Network North and East London and Hertfordshire and Open College Network Anglia merged on 1 August 2005 from which date their activities were carried on by Open College Network Eastern Region. The company rebranded to Gateway Qualifications Limited in April 2013 and formally changed the company name to Gateway Qualifications Limited by means of Special Resolution approved by the Members on 5 February 2015.

### Legal and Administrative Information

The Board of Trustees set out below have held office during the whole of the period to the date of this report, unless otherwise stated:

<b>Chair</b>	David Ruddy Independent
<b>Vice Chair</b>	Lynsi Hayward-Smith (Resigned 13 March 2024) Independent
	Alison Davies (Resigned 25 September 2024) Chelmsford College
<b>Other Trustees</b>	Anne Thompson Independent
	Anthea Hockly Independent
	Paul Whitehead Harlow College
	Gail May University of East London
	Margaret Joojo-Richards London Borough of Hounslow Adult and Community Education
	Anne Wright Workpays Ltd
	Claire Gill (Appointed 13 March 2024) Independent
	Mark Hilton (Appointed 13 March 2024) BusinessLDN
	Leon Annett (Appointed 13 March 2024) University of Greenwich

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024**

**Other Trustees (continued)** Sammy Shumo (Appointed 13 March 2024)  
London South Bank University

The appointment to the Board of Trustees is by election at a Board Meeting.

**Senior leadership team** Carol Snape  
Lorraine Wreford  
Paul Saunders  
Philippa Farrell

The Board of Trustees will establish the salary level of the Chief Executive Officer (CEO) at appointment and will review on an annual basis.

SLT salaries are paid on a fixed (spot) point salary taking responsibility and market rates into account for new appointments. Any increases are based on performance and are approved by the Board of Trustees on the recommendation of the CEO.

Professional Indemnity Insurance was in place throughout the year for both the Trustees and Directors.

### **Objectives and Organisation Structure**

Gateway Qualifications Limited is a company limited by guarantee and a registered charity. The charity's governing document is its Articles of Association, originating from its inauguration and updated by Special Resolution on 16 October 2019. The Objects of the charity are reported below under Objectives and Activities.

The charity drew its initial Trustees from the inaugural members of the company as the signatories to the Articles of Association. Subsequent Trustees are recruited through a search process instigated by the Board of Trustees. Any appointments made to the Board of Trustees are required to be ratified at the next Board Meeting.

The Board of Trustees has established four committees, a Finance and General Purposes Committee, a Quality and Standards Committee, an Access to Higher Education Committee and a Governance Committee. The remit and terms of reference for these committees are clearly set out and included in the charity's Governance Manual. Any decisions made by these committees are either made with the delegated authority of the Board of Trustees, or are referred to the Board of Trustees for ratification. All four committees have a Chair and Vice Chair who are Trustees, and any members of the committees who are not Trustees need to be approved by the Board of Trustees.

Performance of the Trustees is conducted via a process of individual self-evaluation linked to an annual skills audit and performance review conducted by the Chair of the Board, and an established Governance Committee reviews and updates continuing professional development on an on-going basis. The regulatory requirement for on-going self-evaluation further informs the process.

In setting Gateway Qualifications' objectives and planning its activities the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit. In doing so, the Board of Trustees has complied with its duties in this area as set out in section 4 of the Charities Act 2006.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024**

### **Regulators**

During the year ended July 2024 Gateway Qualifications was accredited to operate with a number of Regulators, as follows: Ofqual, Qualifications Wales, and as an Access Validating Agency, licensed by the Quality Assurance Agency for Higher Education (QAA) to validate Access to Higher Education programmes and to issue Access to HE certificates to learners.

### **Membership**

In January 2019, based on legal advice, the Board of Trustees approved that the company assume a “foundation structure”. The “foundation structure” was adopted by special resolution by the Members in September 2019. By adoption of the Foundation Structure, Membership of the Charity is automatically held by the Trustees of the Charity. Should a Trustee resign from their position as a Trustee, they will be automatically removed from the Membership of the Charity.

### **Risks and Reserves**

Gateway Qualifications Limited Board of Trustees has three layers of reserves requirements. The Operational Reserve is set to cover the peaks and troughs in the business cycle, the Opportunistic Reserve enabling the company to invest in opportunities without the need to compromise the Operational Reserve, and the longer-term reserve which is intended to reduce the impact upon the company of large changes within the external environment.

Gateway Qualifications Limited Board of Trustees is pleased to report that for the year ended July 2024, the reserve requirements have been fully achieved. The operational reserve, being seven months of budgeted cost was £2,748,449, the opportunistic reserve is £500,000 and the long term reserve has reached £3,205,627 exceeding the target of £1,000,000. The reserves figure of £6,454,076 at the end of the financial year places the company in a favourable financial position for the forthcoming years.

### **Risk Management**

The Board of Trustees continues to oversee work to mitigate risk to the company by the adoption of a risk based approach to all of the company’s work, and the tight tracking of the level of risk both at management and organisational level. Risk identification is tightly aligned to the strategic and operating plans of Gateway Qualifications Limited, and monitored and managed at monthly review meetings.

The Risk and Issue Management Policy ensures that risk identification happens at operational as well as strategic levels, each team and project operating their own risk register linking into an identified escalation process. Team meetings continue to act as a means of identifying potential risk areas. In addition:

- All Board and management meetings have risk and issue management as a standard agenda item.
- A risk based monitoring approach to managing Centres is embedded.
- Quality improvement continues to be a focus for all provision.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024**

### **Risk Management – (continued)**

The major risks to which the charity is exposed are reviewed and set out in the Business Continuity Plan, together with the systems established to mitigate those risks.

The principal risks and uncertainties facing the charity are identified as follows:

- Potential loss of income associated with Government policy changes with regards to educational provision, regulatory requirements and associated funding decisions.
- Adequate resources required to support different qualifications types and assessment strategies associated with changing Government policy.
- Adequate and appropriate staffing requirements are maintained, whilst at the same time not increasing prices for customers.

Plans and strategies for managing those risks include:

- A strategy of diversification of product range developed with, and monitored by, the Board of Trustees, to ensure that the risk of external changes is spread with different product offerings replacing products at risk.
- Close monitoring of types of qualifications offered and associated resource requirements, through the Quality and Standards Committee and overseen by the Board of Trustees.
- An on-going review of staffing requirements, with adjustments made as required, to ensure that staffing levels are maintained in an appropriate and affordable way as the market changes.

### **Objectives and Activities**

#### **Charitable Objects and Public Benefit**

The objects (“the Objects”) for which the Charity is established are the advancement of learning and education of the public by in particular, but not exclusively, one or more of the following ways:-

by promoting and widening participation in education and training, particularly by those who have benefited least from existing provision;

by improving the quality and flexibility of education and training provision for the public benefit, particularly for those learners who have previously been excluded from educational opportunities;

by improving the educational welfare and access to learning opportunities and facilitating progression to further learning, employment and higher education particularly through regulated qualifications;

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024**

### **Charitable Objects and Public Benefit – (continued)**

by complying with the various regulators or the appropriate agency acting on behalf of the Department for Education or relevant government departments or bodies; improving access to higher education by establishing, operating as an Access Validating Agency under licence from The Quality Assurance Agency for Higher Education according to the principles of the diploma specification; and by encouraging and assisting organisations to provide a wider range of quality assured accredited learning opportunities.

In order to achieve these objectives Gateway Qualifications Limited develops and awards regulated qualifications including Access to HE Diplomas. This offer ranges primarily from Entry Level to Level Six for which Gateway Qualifications Limited undertakes quality assurance and awarding activities to certificate learners who achieve qualifications, and where applicable, units.

Gateway Qualifications Limited has had regard to the Charity Commission's guidance on public benefit. The principles, and the relevance of the activities of Gateway Qualifications Limited to these principles, are set out below:

*Principle 1: there must be an identifiable benefit or benefits*

Gateway Qualifications Limited works to achieve widening participation and educational opportunities in further and higher education and in other education providers by improving the quality and flexibility of education and training provision.

*Principle 2: Benefit must be to the public or section of the public*

Gateway Qualifications Limited focuses on the public in England and Wales, especially those learners who have previously not had the full benefit of educational opportunities.

Gateway Qualifications' Strategic Aims for 2024-2025 are:

1. Transformation to Support Growth
2. Innovation in Product, Assessment and Delivery
3. Evolution of Infrastructure and Capacity

Gateway Qualifications' goals and milestones for achieving these objectives are detailed in its 2022-25 Strategic Plan and its 2024-25 Operating Plan.

### **Achievement and Performance**

Significant external challenges continue as Gateway Qualifications awaits the new government's engagement with the inherited reform programme for post 16 technical education and training, and the company will continue to respond and change in order to meet customers' requirements within this environment. The external environment continues to face challenges with the squeeze on awarding organisations being felt from both the policy makers and the funders. Despite these challenges, Gateway Qualifications Limited achieved income of £5,333,178 to 31 July 2024.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024**

### **Achievements 2023-24**

- Income of £5,333,178 £758k higher than 2022-2023
- Achieved more than 100,000 qualification registrations in one year for the first time
- Developed plans and prepared to launch as an end point assessment organisation, for five standards
- Revised Access to HE Diploma portfolio to meet the new QAA Access to HE Diploma Specification and Grading Standards
- Digital Functional Skills Qualifications go live, the first Awarding Organisation through technical evaluation
- Award winners at the Federation of Awarding Bodies Conference for three categories: Qualification of the Year, Provider Relationship of the Year, Individual of the Year
- Recruitment of 13 staff, 11 to new roles directly supporting the growth, including a Head of Quality and Standards and a Business Development Manager for the EPA area of the business
- Recruitment of 10 new wider workforce, to support EPA
- Major presence and success at Conferences, particularly AoC and AELP (headline sponsor)
- Extension of the MoJ contract to run ESOL Skills for Life in prisons
- 88 webinars run, 3,412 registrants, 1,476 attended live (43% attendance rate) with an additional 1,550 on demand views
- Embedding of a Quality Management System
- Appointment of a new CEO to take up post in October 2024
- Board performance review successfully completed
- Four new Trustees recruited
- New Finance system Implemented

### **Review of Financial Position**

The company achieved income of £5,333k which is a 16.5% increase compared with the previous year. The increase was derived from new business with new customers as well as growing business with existing customers.

Total expenditure for the year was £3,330k, which was £424k less than 2022-23. However the primary reason for reduced costs related to the full release of the £1,387k Pension Provision compared to an increase of £184k in the previous year. Underlying costs were £1,148k higher than the previous year as a result of higher EQA costs, product Development Consultancy, staffing levels and an associated increased in recruitment costs, and software licence costs. Additionally more was spent on marketing, website and legal costs.

The overall outturn is a £2,004k surplus, which is £1,181k higher than the previous year.

Reserves at year end are £6,454k and equate to one hundred and fifty two percent of the total reserve policy having been achieved.

As in the previous year, throughout 2023-24 the charity has worked to raise its profile with the intention of ensuring that as many learning providers and learners as possible are aware of the services and benefits available from Gateway Qualifications. Particular activities which have taken place in this respect are:

- Chief Executive Officer meetings with Principals and Vice Principals of FE Colleges and other providers

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024**

### **Review of Financial Position – (continued)**

- Charitable support to learners and learning providers by sponsorship and other means
- Expansion of the company' footprint, bringing the opportunity of Gateway Qualifications provision to all parts of England and Wales
- Significant programme of webinars, many of which were thought leadership, sharing with centres and others not yet working with Gateway Qualifications e.g. guiding through the complexities of education funding
- Increased presence at exhibitions and conferences, including running workshops and seminars, supporting the use of Gateway Qualifications product offer
  
- Engagement with online events, whether they be with regulators, funders or other key stakeholders, in support of maintaining, and in some cases, defending, the funded provision for our centres and learners who benefit from our charitable purpose
  
- Sponsorship of a number of key activities and initiatives designed to support disadvantaged learners to achieve their learning ambitions

More generally, the charity supports the work of smaller centres which are often working with disadvantaged groups, giving a significant amount of curriculum and quality systems support without charge. These smaller centres are predominantly voluntary and community sector organisations which account for 5.0% of the charity's recognised centres but contribute only 1.8% of the charity's income.

The charity continues to advance education for the general public through the development and provision of regulated qualifications and units, which, provided acceptable quality standards are demonstrated, are offered to all members of the public. Gateway Qualifications Limited continues to demonstrate its objective of widening participation in education by working with groups and communities for which traditional or formal education is not appropriate, for example learners at lower educational levels, learners with few formal qualifications, young learners not in employment, education or training, learners at risk of offending or learners based in offender institutions and adult learners looking for an appropriate route into higher education.

### **Board of Trustees' responsibilities for the financial statements**

The trustees (who are also directors of Gateway Qualifications Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

# GATEWAY QUALIFICATIONS LIMITED

## REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2024

### Board of Trustees' responsibilities for the financial statements – (continued)

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company has taken the exemption available to small companies from presenting a strategic report.

### Auditor

On 28 March 2024 our auditor, SB Audit LLP, merged with Sumer Auditco Limited. Accordingly SB Audit LLP formally resigned as the Company's auditor with the Directors duly appointing Sumer Auditco Limited to fill the vacancy arising.

The auditor, Sumer Auditco Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Approval

David Ruddy Chair to the Board at the Board of Trustees meeting dated 12 March 2025

Approved by the Board of Trustees on 12 March 2025 and signed on their behalf by

D Ruddy



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED

## Opinion

We have audited the financial statements of Gateway Qualifications Limited (the charitable company) for the year ended 31 July 2024 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the Statement of Cash Flows and analysis of changes in net debt 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees' were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 9 and 10 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Director of Finance (as required by auditing standards) and senior management, inspection of the Charity's regulatory and legal correspondence and discussed with the Director of Finance the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with the requirements of OFQUAL, The Charity Commission, Qualification Wales, QAA, health and safety, corporate governance including safeguarding and wellbeing, human rights and employment law, anti-bribery and corruption and UK GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of those charged with governance and other management and inspection of regulatory and legal correspondence, if any.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED

## Auditor's responsibilities for the audit of the financial statements (continued)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Charity complies with such regulations, enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sumer Audit*

**Piers Harrison**  
Senior Statutory Auditor

For and on behalf of Sumer Auditco Limited  
Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

*8 April 2025*

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2024

	Unrestricted funds 2024 Total £	Unrestricted funds 2023 Total £
<b>Donations</b>		
Donations received – intangible income	1,170	2,425
<b>Income from charitable activities</b>		
Annual centre approval fees	345,867	348,884
Learner registration	4,767,577	3,989,140
Conferences and training fees	-	550
Replacement certificate fees	11,197	12,200
Sundry income	109,380	196,505
Bank interest	97,987	25,732
	<u>5,332,008</u>	<u>4,573,011</u>
<b>Total Income</b>	<u>5,333,178</u>	<u>4,575,436</u>
<b>Expenditure on charitable activities</b>		
Rent and rates	65,585	61,714
Staff costs	2,677,789	2,221,544
USS pension provision release	(1,418,908)	-
Temporary staff costs	33,108	8,424
Moderation and quality assurance fees	366,082	266,424
Moderation and quality assurance travel and expenses	33,851	26,908
Certificates	84,056	70,374
Travel and subsistence	43,457	49,923
Printing, postage and stationery	32,699	36,748
Recruitment	111,799	49,464
Staff related costs	56,983	50,719
Payroll and pension administration charges	2,280	2,165
Bad debts	(2,768)	3,338
Depreciation	41,357	37,938
Insurance	11,010	7,891
<b>Expenditure - carried forward</b>	<u>2,138,380</u>	<u>2,893,574</u>

**GATEWAY QUALIFICATIONS LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 JULY 2024**

	Unrestricted funds 2024 Total £	Unrestricted funds 2023 Total £
<b>Expenditure - brought forward</b>	<b>2,138,380</b>	<b>2,893,574</b>
<b>Expenditure on charitable activities – (continued)</b>		
Legal and professional	<b>62,936</b>	42,763
Professional subscriptions	<b>713</b>	5,934
ICT costs	<b>412,988</b>	268,667
Office equipment	<b>47,393</b>	41,568
Marketing and publicity	<b>266,779</b>	205,487
Equipment rental	<b>954</b>	2,311
Bank charges	<b>1,012</b>	927
Interest payable	<b>31,901</b>	39,804
Awarding organisation status costs	<b>15,367</b>	18,726
Qualification and assessment development costs	<b>139,535</b>	91,548
Consultancy	<b>170,822</b>	101,535
QAA	<b>22,798</b>	25,945
Auditors' remuneration	<b>11,274</b>	11,560
Hospitality	<b>6,751</b>	3,070
Profit on disposals	<b>-</b>	(158)
<b>Total expenditure</b>	<b>3,329,603</b>	<b>3,753,261</b>
<b>Net income for the year</b>	<b>2,003,575</b>	<b>822,175</b>
<b>Balance brought forward at 1 August 2023</b>	<b>4,450,501</b>	<b>3,628,326</b>
<b>Balance carried forward at 31 July 2024</b>	<b>6,454,076</b>	<b>4,450,501</b>

The statement above includes all gains and losses recognised in each of the above two years.

There was no other comprehensive income in either of the above two years.

All activities relate to continuing operations.

# GATEWAY QUALIFICATIONS LIMITED

## BALANCE SHEET AS AT 31 JULY 2024

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	5	<u>71,420</u>	<u>82,735</u>
<b>Current assets</b>			
Debtors	6	739,453	558,251
Cash at bank and in hand		<u>6,357,440</u>	<u>5,771,276</u>
		<b>7,096,893</b>	6,329,527
<b>Creditors: amounts falling due within one year</b>	7	<u>714,237</u>	<u>574,755</u>
<b>Net current assets</b>		<u>6,382,656</u>	<u>5,754,772</u>
<b>Total assets less current liabilities</b>		<b>6,454,076</b>	5,837,507
<b>Provisions</b>	8	<u>-</u>	<u>1,387,006</u>
<b>Net assets</b>		<u><b>£6,454,076</b></u>	<u>£4,450,501</u>
<b>Funds</b>			
Unrestricted funds		<u><b>£6,454,076</b></u>	<u>£4,450,501</u>

Approved by the Board of Trustees on 12 March 2025 and signed on its behalf by

D Ruddy



Company Number: 05502449  
Charity Number: 1114282

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2024

	2024 £	2023 £
<b>Net income</b>	<b>2,003,575</b>	822,175
Add Depreciation	41,357	37,938
Profit on disposal of fixed assets	-	(158)
Less interest received	(97,987)	(25,732)
Add interest paid	31,901	39,804
(Increase)/decrease in debtors	(181,202)	228,923
Increase/(decrease) in creditors	139,482	(179,658)
(Decrease)/increase in provisions	(1,387,006)	184,462
<b>Cash generated from operating activities</b>	<b>550,120</b>	1,107,754
<b>Cash flows from investing activities</b>		
Interest received	97,987	25,732
Purchase of tangible fixed assets	(30,042)	(69,193)
Proceeds from sale of fixed assets	-	1,260
<b>Cash generated/(expended) on investing activities</b>	<b>67,945</b>	(42,201)
<b>Cash flows from financing activities</b>		
Interest paid	(31,901)	(39,804)
<b>Cash expended on financing activities</b>	<b>(31,901)</b>	(39,804)
<b>Increase in cash and cash equivalents during the year</b>	<b>586,164</b>	1,025,749
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,771,276</b>	4,745,527
<b>Cash and cash equivalents at the end of the year</b>	<b>£6,357,440</b>	£5,771,276
<b>Analysis of changes in net debt</b>		
Cash at bank and in hand:		
At 1 August	5,771,276	4,745,527
Cashflows	586,164	1,025,749
At 31 July	<b>£6,357,440</b>	<b>£5,771,276</b>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 1 GENERAL INFORMATION

Gateway Qualifications Limited is a charitable company limited by guarantee, incorporated in England and Wales, registered company number 05502449 and registered charity number 1114282. The address of the registered office is Gateway House, 6 Tollgate Business Park, Tollgate West, Colchester, CO3 8AB.

### 2 ACCOUNTING POLICIES

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Certain comparatives have been restated to make their treatment consistent with that adopted in the current year. This has had no impact upon reserves.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The following principal accounting policies have been applied:

#### ***Going concern***

Having considered the charitable company's forecasts and projections the Trustees are satisfied that the charitable company has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. The Trustees also consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### ***Income and expenditure***

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts and rebates.

Income and expenditure are accounted for on an accruals basis.

Income and expenditure are allocated in the Statement of Financial Activities on a basis which is considered to best reflect the day to day operations of the charitable company.

#### ***Leasing***

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenses on a straight line basis over the period of the lease.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 2 ACCOUNTING POLICIES – (continued)

#### *Taxation*

The company is a charitable company within the meaning of Part 11, Corporation Tax Act 2010. Accordingly it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

#### *Tangible fixed assets*

Gateway Qualifications Limited has adopted a policy of capitalisation of fixed assets costing over £1,000. Tangible Fixed Assets are recorded in the financial statements at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	4 years straight line
Equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

#### *Pensions*

The charitable company participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charitable company is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charitable company therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The charitable company recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 10.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 2 ACCOUNTING POLICIES – (continued)

#### *Cash and cash equivalents*

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

#### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- short term debtors (financial assets) are measured at the transaction price
- short term creditors (financial liabilities) are measured at the transaction price.

#### *Significant judgements and estimates*

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore previously recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the 31 July 2023 financial statements. In the year ended 31 July 2024, the recognition of the liability was not required as the scheme was no longer in a deficit.

Estimates were made over the discount rate, staff changes and wage inflation in relation to the USS pension provision.

### 3 NET EXPENDITURE FOR THE YEAR

The net expenditure is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets	41,357	37,938
Auditors' remuneration in respect of audit services	11,274	11,560
Operating lease payments	53,983	53,658

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 4 STAFF COSTS

	2024 £	2023 £
Wages and salaries	2,177,050	1,626,996
Social security costs	228,687	178,040
Pension costs (note 10)	(1,146,856)	416,508
	<u>1,258,881</u>	<u>2,221,544</u>

The monthly number of employees, calculated on a full time basis, during the year was made up as follows :

Management, administration and service provision	<u>51</u>	<u>40</u>
--------------------------------------------------	-----------	-----------

The monthly number of employees, calculated on an actual basis, during the year was made up as follows :

Management, administration and service provision	<u>53</u>	<u>42</u>
--------------------------------------------------	-----------	-----------

#### Higher paid employees

£60,000 to £69,999	2	2
£70,000 to £79,999	2	3
£80,000 to £89,999	-	-
£90,000 to £99,999	1	-
£100,000 to £109,999	1	1
£110,000 to £119,999	1	-
	<u>7</u>	<u>6</u>

The total employer pension contribution for the higher paid employees above totalled £66,704 (2023 : £77,851).

Senior management team remuneration totalled £463,928 (2023 : £426,582).

No members of the Board of Trustees received remuneration for their role as trustees. A total of £280 was reimbursed to 1 trustee during the year (2023: £296) in relation to travel costs.

Indemnity insurance is maintained covering members of the Board in their capacity as trustees and directors.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 5 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 August 2023	7,258	29,914	212,580	249,752
Additions	-	-	30,042	30,042
Disposals	-	-	(95,217)	(95,217)
At 31 July 2024	<u>7,258</u>	<u>29,914</u>	<u>147,405</u>	<u>184,577</u>
<b>Depreciation</b>				
At 1 August 2023	994	10,289	155,734	167,017
Charge for year	726	6,916	33,715	41,357
Disposals	-	-	(95,217)	(95,217)
At 31 July 2024	<u>1,720</u>	<u>17,205</u>	<u>94,232</u>	<u>113,157</u>
<b>Net book value</b>				
At 31 July 2024	<u>5,538</u>	<u>12,709</u>	<u>53,173</u>	<u>71,420</u>
At 31 July 2023	<u>6,264</u>	<u>19,625</u>	<u>56,846</u>	<u>82,735</u>

### 6 DEBTORS

	2024 £	2023 £
Prepayments and other debtors	205,169	127,013
Fees receivable	521,268	431,238
Accrued Income	13,016	-
	<u>739,453</u>	<u>558,251</u>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	139,692	127,808
Accruals	169,996	73,406
Deferred income	350,400	328,800
Taxation and social security	53,901	44,741
Other creditors	248	-
	<u>714,237</u>	<u>574,755</u>

All deferred income relates to amounts deferred in the current year.

### 8 PROVISIONS

	2024 £	2023 £
<b>USS pension scheme funding plan</b>		
Balance brought forward	1,387,006	1,202,544
Movement in year	<u>(1,387,006)</u>	<u>184,462</u>
	<u>-</u>	<u>1,387,006</u>

The USS pension scheme was in a deficit in 2023 and a funding plan had been agreed which covered the period to 31 March 2038. In 2024 this scheme was in a surplus on a technical provision basis. The charitable company was no longer required to make deficit recovery contributions from 1 January 2024 and the provision was released to the statement of financial activities.

### 9 RELATED PARTY TRANSACTIONS

Due to the nature of the charitable company's operations and the composition of the Board members (being drawn from member organisations) it is possible that transactions will take place with Colleges in which members of the Board may have interests, by reason only of being employed by such Colleges.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 10 COMMITMENTS

#### Lease commitments – operating leases

At 31 July 2024 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	Restated 2023 £
Not later than 1 year	45,234	46,666
Later than 1 year and not later than 5 years	171,360	173,754
Later than 5 years	113,379	156,337
	<u>329,973</u>	<u>376,757</u>

#### Pension commitments

The charitable company had a principal pension scheme for employees in the year. This was the University Superannuation Scheme (USS).

USS is a defined benefit scheme, made up of a defined benefit pension called the Retirement Income Builder and a defined contribution pension called the Investment Builder, which is externally funded and valued every three years using the projected unit method.

The scheme was contracted out of the State Earnings-Related Pension Scheme.

#### Universities Superannuation Scheme

The total (credit)/cost (released)/charged to the income and expenditure account is £(1,146,856) (2023 : £416,508) as included in note 4. This is made up of the FRS 102 pension provision adjustment of £(1,418,908) (2023: £144,658) and pension contributions of £272,052 (2023: £271,850).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 8, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The charitable company was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the charitable company cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

### 10 COMMITMENTS – continued

#### Universities Superannuation Scheme – (continued)

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long term-average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps  Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme’s experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

#### 2023 valuation

Mortality base table:	101% of S2PMA “light” for males and 95% of S3PFA for females
Future improvements: to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

**GATEWAY QUALIFICATIONS LIMITED**

England & Wales - Charity number 1114282

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# Accounts

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REGISTERED COMPANY NUMBER 05502449

REGISTERED CHARITY NUMBER 1114282

**GATEWAY QUALIFICATIONS LIMITED**  
(A company limited by guarantee)

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**31 JULY 2023**

# GATEWAY QUALIFICATIONS LIMITED

## CONTENTS

	<b>Pages</b>
Legal and administrative information	1 - 2
Report of the Board of Trustees	3 - 10
Report of the auditors	11 - 14
Statement of financial activities (including income and expenditure account)	15 - 16
Balance Sheet	17
Statement of cash flows and analysis of changes in net debt	18
Notes to the financial statements	19 - 26

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# GATEWAY QUALIFICATIONS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

### Trustees

#### Chair

David Ruddy  
Independent

#### Vice Chair

Lynsi Hayward-Smith  
Independent

#### Other Trustees

Anne Thompson  
Independent

Miles Cole  
University of Suffolk (Resigned 31 July 2023)

Alison Andreas  
Colchester Institute (Resigned 24 May 2023)

Alison Davies  
Chelmsford College

Jill Holliday  
University of Essex (Resigned 24 May 2023)

Anthea Hockly  
Independent

Paul Whitehead  
Harlow College

Gail May  
University of East London

Margaret Joojo-Richards  
London Borough of Hounslow Adult and Community Education

Anne Wright  
Workpays Ltd (Appointed 12 July 2023)

# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

**Company Secretary** Lorraine Wreford

**Chief Executive Officer** Carol Snape

**Registered Company number** 05502449  
**Registered Charity number** 1114282

**Address** Gateway House  
6 Tollgate Business Park  
Tollgate West  
Colchester  
CO3 8AB

**Auditors** SB Audit LLP  
Chartered Accountants and  
Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

**Bankers** Barclays PLC  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

# GATEWAY QUALIFICATIONS LIMITED

## REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023

The Board of Trustees, who are also Directors for the purposes of the Companies Act, present their annual report and the financial statements of Gateway Qualifications Limited for the year ended 31 July 2023. The Trustees have adopted the provisions of the FRS 102 Charities SORP and have followed UK generally accepted accounting principles in preparing the Annual Report and Financial Statements of the charity.

Gateway Qualifications Limited was incorporated on 7 July 2005. Open College Network North and East London and Hertfordshire and Open College Network Anglia merged on 1 August 2005 from which date their activities were carried on by Open College Network Eastern Region. The company rebranded to Gateway Qualifications Limited in April 2013 and formally changed the company name to Gateway Qualifications Limited by means of Special Resolution approved by the Members on 5 February 2015.

### Legal and Administrative Information

The Board of Trustees set out below have held office during the whole of the period to the date of this report, unless otherwise stated:

<b>Chair</b>	David Ruddy Independent
<b>Vice Chair</b>	Lynsi Hayward-Smith Independent
<b>Other Trustees</b>	Anne Thompson Independent
	Miles Cole University of Suffolk (resigned 31 July 2023)
	Alison Andreas Colchester Institute (resigned 24 May 2023)
	Alison Davies Chelmsford College
	Jill Holliday University of Essex (resigned 24 May 2023)
	Anthea Hockly Independent
	Paul Whitehead Harlow College
	Gail May University of East London
	Margaret Joojo-Richards London Borough of Hounslow Adult and Community Education
	Anne Wright Workpays Ltd (appointed 12 July 2023)

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023**

The appointment to the Board of Trustees is by election at a Board Meeting.

### **Senior leadership team**

Carol Snape  
Lorraine Wreford  
Paul Saunders  
Philippa Farrell

The Board of Trustees will establish the salary level of the Chief Executive Officer at appointment and will review on an annual basis.

SLT salaries are paid on a fixed (spot) point salary taking responsibility and market rates into account for new appointments. Any increases are based on performance and are approved by the Board of Trustees on the recommendation of the CEO.

Professional Indemnity Insurance was in place throughout the year for both the Trustees and Directors.

### **Objectives and Organisation Structure**

Gateway Qualifications Limited is a company limited by guarantee and a registered charity. The charity's governing document is its Articles of Association, originating from its inauguration and updated by Special Resolution on 16 October 2019. The Objects of the charity are reported below under Objectives and Activities.

The charity drew its initial Trustees from the inaugural members of the company as the signatories to the Articles of Association. Subsequent Trustees are recruited through a search process instigated by the Board of Trustees. Any appointments made to the Board of Trustees are required to be ratified at the next Board Meeting.

The Board of Trustees has established four committees, a Finance and General Purposes Committee, a Quality and Standards Committee, an Access to Higher Education Committee and a Governance Committee. The remit and terms of reference for these committees are clearly set out and included in the charity's Governance Manual. Any decisions made by these committees are either made with the delegated authority of the Board of Trustees, or are referred to the Board of Trustees for ratification. All four committees have a Chair and Vice Chair who are Trustees, and any members of the committees who are not Trustees need to be approved by the Board of Trustees.

Performance of the Trustees is conducted via a process of individual self-evaluation linked to an annual skills audit and performance review conducted by the Chair of the Board, and an established Governance Committee reviews and updates continuing professional development on an on-going basis. The regulatory requirement for on-going self-evaluation further informs the process.

In setting Gateway Qualifications' objectives and planning its activities the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit. In doing so, the Board of Trustees has complied with its duties in this area as set out in section 4 of the Charities Act 2006.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023**

### **Regulators**

During the year ended July 2023 Gateway Qualifications was accredited to operate with a number of Regulators, as follows: Ofqual, Qualifications Wales, and as an Access Validating Agency, licensed by the Quality Assurance Agency for Higher Education (QAA) to validate Access to Higher Education programmes and to issue Access to HE certificates to learners.

### **Membership**

In January 2019, based on legal advice, the Board of Trustees approved that the company assume a "foundation structure". The "foundation structure" was adopted by special resolution by the Members in September 2019. By adoption of the Foundation Structure, Membership of the Charity is automatically held by the Trustees of the Charity. Should a Trustee resign from his/her position as a Trustee, he/she will be automatically removed from the Membership of the Charity.

### **Risks and Reserves**

Gateway Qualifications Limited Board of Trustees has three layers of reserves requirements. The Operational Reserve is set to cover the peaks and troughs in the business cycle, the Opportunistic Reserve enabling the company to invest in opportunities without the need to compromise the Operational Reserve, and the longer-term reserve which is intended to reduce the impact upon the company of large changes within the external environment.

Gateway Qualifications Limited Board of Trustees is pleased to report that for the year ended July 2023, the reserve requirements have been fully achieved. The operational reserve, being seven months of budgeted cost is £2,335,169, the opportunistic reserve is £500,000 and the long term reserve has reached £1,615,332 exceeding the target of £1,000,000. The reserves figure of £4,450,501 at the end of the financial year places the company in a favourable financial position for the forthcoming years.

### **Risk Management**

The Board of Trustees continues to oversee work to mitigate risk to the company by the adoption of a risk based approach to all of the company's work, and the tight tracking of the level of risk both at management and organisational level. Risk identification is tightly aligned to the strategic and operating plans of Gateway Qualifications Limited, and monitored and managed at monthly review meetings.

The Risk and Issue Management Policy ensures that risk identification happens at operational as well as strategic levels, each team and project operating their own risk register linking into an identified escalation process. Team meetings continue to act as a means of identifying potential risk areas. In addition:

- All Board and management meetings have risk and issue management as a standard agenda item.
- A risk based monitoring approach to managing Centres is embedded.
- Quality improvement continues to be a focus for all provision.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023**

### **Risk Management – (continued)**

The major risks to which the charity is exposed are reviewed and set out in the Business Continuity Plan, together with the systems established to mitigate those risks.

The principal risks and uncertainties facing the charity are identified as follows:

- Potential loss of income associated with Government policy changes with regards to educational provision, regulatory requirements and associated funding decisions.
- Adequate resources required to support different qualifications types and assessment strategies associated with changing Government policy.
- Adequate and appropriate staffing requirements are maintained, whilst at the same time not increasing prices for customers.

Plans and strategies for managing those risks include:

- A strategy of diversification of product range developed with, and monitored by, the Board of Trustees, to ensure that the risk of external changes is spread with different product offerings replacing products at risk.
- Close monitoring of types of qualifications offered and associated resource requirements, through the Quality and Standards Committee and overseen by the Board of Trustees.
- An on-going review of staffing requirements, with adjustments made as required, to ensure that staffing levels are maintained in an appropriate and affordable way as the market changes.

### **Objectives and Activities**

#### **Charitable Objects and Public Benefit**

The objects ("the Objects") for which the Charity is established are the advancement of learning and education of the public by in particular, but not exclusively, one or more of the following ways:-

by promoting and widening participation in education and training, particularly by those who have benefited least from existing provision;

by improving the quality and flexibility of education and training provision for the public benefit, particularly for those learners who have previously been excluded from educational opportunities;

by improving the educational welfare and access to learning opportunities and facilitating progression to further learning, employment and higher education particularly through regulated qualifications;

by complying with the various regulators or the appropriate agency acting on behalf of the Department for Education or relevant government departments or bodies;

# GATEWAY QUALIFICATIONS LIMITED

## REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023

### Charitable Objects and Public Benefit – (continued)

improving access to higher education by establishing, operating as an Access Validating Agency under licence from The Quality Assurance Agency for Higher Education according to the principles of the diploma specification; and

by encouraging and assisting organisations to provide a wider range of quality assured accredited learning opportunities.

In order to achieve these objectives Gateway Qualifications Limited undertakes accreditation activities with a wide range of education and training providers, offering Gateway Qualifications Limited qualifications, and Access to HE Diploma courses. This accreditation ranges primarily from Entry Level to Level Six for which Gateway Qualifications Limited quality assures the provision, and certifies learners who achieve either credit or qualifications.

Gateway Qualifications Limited has had regard to the Charity Commission's guidance on public benefit. The principles, and the relevance of the activities of Gateway Qualifications Limited to these principles, are set out below:

*Principle 1: there must be an identifiable benefit or benefits*

Gateway Qualifications Limited works to achieve widening participation and educational opportunities in further and higher education and in other education providers by improving the quality and flexibility of education and training provision.

*Principle 2: Benefit must be to the public or section of the public*

Gateway Qualifications Limited focuses on the public in England and Wales, especially those learners who have previously not had the full benefit of educational opportunities.

Gateway Qualifications' Strategic Aims for 2023-2024 are:

1. Transformation to Support Growth
2. Innovation in Product, Assessment and Delivery
3. Evolution of Infrastructure and Capacity

Gateway Qualifications' goals and milestones for achieving these objectives are detailed in its 2022-25 Strategic Plan and its 2023-24 Operating Plan.

### **Achievement and Performance**

Significant external challenges continue as the government implements its reform programme for post 16 technical education and training, and the company continues to respond and change in order to meet customers' requirements within this environment. The external environment continues to place challenges with the squeeze on awarding organisations being felt from both the policy makers and the funders. Despite these challenges, Gateway Qualifications Limited achieved income of £4,575,436 to 31 July 2023.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023**

### **Achievements 2022-23**

- Income of £4,575,436, £503k higher than 2021-2022
- First to market with Digital Functional Skills
- Awarding Organisation of the year and Innovation of the year awards from the Federation of Awarding Bodies
- Significant increase in staffing numbers and wider workforce, including to new roles directly supporting the growth of the company and planned new provision
- Growth of brand recognition nationally
- Ofqual expansion of scope recognition for eight standards for end point assessment
- Two year extension of the MoJ contract to run ESOL Skills for Life in prisons
- Significant increase in take-up of EDSQ into prisons
- Realised a 14% increase on the customer base, ensuring a wider spread of Gateway Qualifications' charitable purpose
- Digital security continues to be recognised by achievement of cyber essentials reaccreditation
- Significant webinar programme run, with 3,661 registrants and an additional 1,280 on demand views
- Appointment of Transformation Programme Manager to manage the transition to the new technical product offer appropriate to the government post-16 reform programme, including an assessment service as an end point assessment organisation
- Implementation of a Quality Management System

### **Review of Financial Position**

The company achieved income of £4,575k which is a 12% increase compared with the previous year. The increase was derived from new business with new customers as well as growing business with existing customers.

Expenditure for the year was £3,753k, which was £72k less than 2021-22. The primary reason for reduced costs related to only charging a £184k increase to the provision in respect of the Company's pension rather than the £747k that was charged in the previous year. Underlying costs were £490k higher than the previous year as a result of higher staffing levels and an associated increase in recruitment costs, travel costs and software licence costs. Additionally more was spent on marketing costs.

The overall outturn is a £822k surplus, which is £575k higher than the previous year.

Reserves at year end are £4.5m and equate to one hundred and sixteen percent of the total reserve policy having been achieved.

As in the previous year, throughout 2022-23 the charity has worked to raise its profile with the intention of ensuring that as many learning providers and learners as possible are aware of the services and benefits available from Gateway Qualifications. Particular activities which have taken place in this respect are:

- Chief Executive Officer meetings with Principals and Vice Principals of FE Colleges and other providers
- Charitable support to learners and learning providers by sponsorship and other means

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023**

### **Review of Financial Position – (continued)**

- Expansion of the company' footprint, bringing the opportunity of Gateway Qualifications provision to all parts of England and Wales, particularly the north and south west of England
- Significant programme of webinars, many of which were thought leadership, sharing with centres and others not yet working with Gateway Qualifications e.g. guiding through the complexities of education funding
- Increased presence at exhibitions and conferences, including running workshops and seminars, supporting the use of Gateway Qualifications product offer
- Engagement with online events, whether they be with regulators, funders or other key stakeholders, in support of maintaining, and in some cases, defending, the funded provision for our centres and learners who benefit from our charitable purpose
- Sponsorship of a number of key activities and initiatives designed to support disadvantaged learners to achieve their learning ambitions

More generally, the charity supports the work of smaller centres which are often working with disadvantaged groups, giving a significant amount of curriculum and quality systems support without charge. These smaller centres are predominantly voluntary and community sector organisations which account for 5.8% of the charity's recognised centres but contribute only 2.2% of the charity's income.

The charity continues to advance education for the general public through the development and provision of regulated qualifications and units, which, provided acceptable quality standards are demonstrated, are offered to all members of the public. Gateway Qualifications Limited continues to demonstrate its objective of widening participation in education by working with groups and communities for which traditional or formal education is not appropriate, for example learners at lower educational levels, learners with few formal qualifications, young learners not in employment, education or training, learners at risk of offending or learners based in offender institutions and adult learners looking for an appropriate route into higher education.

### **Board of Trustees' responsibilities for the financial statements**

The trustees (who are also directors of Gateway Qualifications Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

# GATEWAY QUALIFICATIONS LIMITED

## REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2023

### Board of Trustees' responsibilities for the financial statements – (continued)

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company has taken the exemption available to small companies from presenting a strategic report.

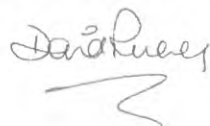
### Auditor

Our auditors Scrutton Bland LLP transferred their audit registration and therefore that part of their business into a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023. The auditor, SB Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Approval

David Ruddy Chair to the Board at the Board of Trustees meeting dated 13 March 2024

Approved by the Board of Trustees on 13 March 2024 and signed on their behalf by



D Ruddy

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Opinion**

We have audited the financial statements of Gateway Qualifications Limited (the charitable company) for the year ended 31 July 2023 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the Statement of Cash Flows and analysis of changes in net debt 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees' were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 9 and 10 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Director of Finance (as required by auditing standards) and senior management, inspection of the Charity's regulatory and legal correspondence and discussed with the Director of Finance the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with the requirements of OFQUAL, The Charity Commission, Qualification Wales, QAA, health and safety, corporate governance including safeguarding and wellbeing, human rights and employment law, anti-bribery and corruption and UK GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED

## Auditor's responsibilities for the audit of the financial statements(continued)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Charity complies with such regulations, enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*SB Audit LLP*

**Timothy O'Connor**

Senior Statutory Auditor

For and on behalf of SB Audit LLP  
Chartered Accountants and Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

*21/3/24*

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2023

	Unrestricted funds 2023 Total £	Restated Unrestricted funds 2022 Total £
<b>Donations</b>		
Donations received – intangible income	2,425	1,560
<b>Income from charitable activities</b>		
Annual centre approval fees	348,884	304,875
Learner registration	3,989,140	3,583,517
Conferences and training fees	550	17,985
Replacement certificate fees	12,200	12,250
Sundry income	196,505	149,925
Bank interest	25,732	2,621
	<u>4,573,011</u>	<u>4,071,173</u>
<b>Total Income</b>	<u>4,575,436</u>	<u>4,072,733</u>
<b>Expenditure on charitable activities</b>		
Rent and rates	61,714	68,713
Staff costs	2,221,544	2,604,823
Temporary staff costs	8,424	9,808
Moderation fees	258,563	311,488
Moderation travel and expenses	23,845	11,094
Certificates	70,374	43,962
Travel and subsistence	49,923	17,649
Printing, postage and stationery	36,748	16,498
Recruitment	49,464	33,895
Staff related costs	50,719	23,719
Conferences, books and publications	13,994	9,434
Payroll and pension administration charges	2,165	1,962
Bad debts	3,338	7,834
Depreciation	37,938	29,071
Insurance	7,891	7,426
<b>Expenditure - carried forward</b>	<u>2,896,644</u>	<u>3,197,376</u>

## GATEWAY QUALIFICATIONS LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2023

	Unrestricted funds 2023 Total £	Unrestricted funds 2022 Total £
<b>Expenditure - brought forward</b>	<b>2,896,644</b>	<b>3,197,376</b>
<b>Expenditure on charitable activities – (continued)</b>		
Legal and professional	42,763	45,588
Subscriptions	5,934	5,068
ICT support and maintenance	234,582	190,606
ICT services	34,085	49,170
Office equipment	41,568	44,045
Marketing and publicity	205,487	121,810
Equipment rental	2,311	5,639
Bank charges	927	1,029
Interest payable	39,804	3,965
Awarding organisation status costs	18,726	4,580
Qualification development costs	91,548	38,526
Consultancy	101,535	63,573
QAA	25,945	18,966
Auditors' remuneration	11,560	9,060
(Profit)/Loss on disposals	(158)	26,483
<b>Total expenditure</b>	<b>3,753,261</b>	<b>3,825,484</b>
<b>Net income for the year</b>	<b>822,175</b>	<b>247,249</b>
<b>Balance brought forward at 1 August 2022</b>	<b>3,628,326</b>	<b>3,381,077</b>
<b>Balance carried forward at 31 July 2023</b>	<b>4,450,501</b>	<b>3,628,326</b>

The statement above includes all gains and losses recognised in each of the above two years.

There was no other comprehensive income in either of the above two years.

All activities relate to continuing operations.

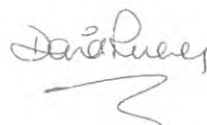
# GATEWAY QUALIFICATIONS LIMITED

## BALANCE SHEET AS AT 31 JULY 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	5	<u>82,735</u>	<u>52,582</u>
<b>Current assets</b>			
Debtors	6	558,251	787,174
Cash at bank and in hand		<u>5,771,276</u>	<u>4,745,527</u>
		<b>6,329,527</b>	5,532,701
<b>Creditors: amounts falling due within one year</b>	7	<u>574,755</u>	<u>754,413</u>
<b>Net current assets</b>		<u>5,754,772</u>	<u>4,778,288</u>
<b>Total assets less current liabilities</b>		<b>5,837,507</b>	4,830,870
<b>Provisions</b>	8	<u>1,387,006</u>	<u>1,202,544</u>
<b>Net assets</b>		<u><b>£4,450,501</b></u>	<u><b>£3,628,326</b></u>
<b>Funds</b>			
Unrestricted funds		<u><b>£4,450,501</b></u>	<u><b>£3,628,326</b></u>

Approved by the Board of Trustees on 13 March 2024 and signed on its behalf by

**D Ruddy**



Company Number: 05502449  
Charity Number: 1114282

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2023

	2023 £	2022 £
<b>Net income</b>	<b>822,175</b>	247,249
Add Depreciation	37,938	29,071
(Profit)/Loss on disposal of fixed assets	(158)	26,483
Less interest received	(25,732)	(2,621)
Add interest paid	39,804	3,965
Decrease/(increase) in debtors	228,923	(342,298)
(Decrease)/increase in creditors	(179,658)	275,557
Increase in provisions	184,462	746,758
<b>Cash generated from operating activities</b>	<b>1,107,754</b>	984,164
<b>Cash flows from investing activities</b>		
Interest received	25,732	2,621
Purchase of tangible fixed assets	(69,193)	(50,690)
Proceeds from sale of fixed assets	1,260	11,257
<b>Cash expended on investing activities</b>	<b>(42,201)</b>	(36,812)
<b>Cash flows from financing activities</b>		
Interest paid	(39,804)	(3,965)
<b>Cash expended on financing activities</b>	<b>(39,804)</b>	(3,965)
<b>Increase in cash and cash equivalents during the year</b>	<b>1,025,749</b>	943,387
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,745,527</b>	3,802,140
<b>Cash and cash equivalents at the end of the year</b>	<b>£5,771,276</b>	£4,745,527
<b>Analysis of changes in net debt</b>		
Cash at bank and in hand:		
At 1 August	4,745,527	3,802,140
Cashflows	1,025,749	943,387
At 31 July	£5,771,276	£4,745,527

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 1 GENERAL INFORMATION

Gateway Qualifications Limited is a charitable company limited by guarantee, incorporated in England and Wales, registered company number 05502449 and registered charity number 1114282. The address of the registered office is Gateway House, 6 Tollgate Business Park, Tollgate West, Colchester, CO3 8AB.

### 2 ACCOUNTING POLICIES

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

Certain income comparatives have been restated to make their treatment consistent with that adopted in the year to 31 July 2023.

The following principal accounting policies have been applied:

#### ***Going concern***

Having considered the charitable company's forecasts and projections the Trustees are satisfied that the charitable company has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. The Trustees also consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### ***Income and expenditure***

Income and expenditure are accounted for on an accruals basis.

Income and expenditure are allocated in the Statement of Financial Activities on a basis which is considered to best reflect the day to day operations of the charitable company.

#### ***Intangible income***

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable.

#### ***Leasing***

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenses on a straight line basis over the period of the lease.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 2 ACCOUNTING POLICIES – (continued)

#### *Taxation*

The company is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

#### *Tangible fixed assets*

Gateway Qualifications Limited has adopted a policy of capitalisation of fixed assets costing over £1,000. Tangible Fixed Assets are recorded in the financial statements at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	4 years straight line
Equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

#### *Pensions*

The charitable company participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charitable company is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charitable company therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the charitable company has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the charitable company recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 2 ACCOUNTING POLICIES – (continued)

#### *Cash and cash equivalents*

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

#### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- short term debtors (financial assets) are measured at the transaction price
- short term creditors (financial liabilities) are measured at the transaction price.

#### *Significant judgements and estimates*

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

There are estimates made over the discount rate, staff changes and wage inflation in relation to the USS pension provision that will be subject to some uncertainty.

### 3 NET EXPENDITURE FOR THE YEAR

The net expenditure is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	37,938	29,071
Auditors' remuneration in respect of audit services	11,560	9,060
Operating lease payments	53,658	58,229
	<u>          </u>	<u>          </u>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 4 STAFF COSTS

	2023 £	2022 £
Wages and salaries	1,626,996	1,464,314
Social security costs	178,040	159,066
Pension costs (note 10)	416,508	981,443
	<u>2,221,544</u>	<u>2,604,823</u>

The monthly number of employees, calculated on a full time basis, during the year was made up as follows :

Management, administration and service provision	<u>40</u>	<u>35</u>
--------------------------------------------------	-----------	-----------

The monthly number of employees, calculated on an actual basis, during the year was made up as follows :

Management, administration and service provision	<u>42</u>	<u>37</u>
--------------------------------------------------	-----------	-----------

#### Higher paid employees

£60,000 to £69,999	2	2
£70,000 to £79,999	3	1
£80,000 to £89,999	-	1
£90,000 to £99,999	-	1
£100,000 to £109,999	1	-
£120,000 to £129,999	-	1
	<u>6</u>	<u>6</u>

The total employer pension contribution for the higher paid employees above totalled £77,851 (2022 : £82,829).

Senior management team remuneration totalled £426,582 (2022 : £464,468).

No members of the Board of Trustees received remuneration for their role as trustees. A total of £296 was reimbursed to 1 trustee during the year (2022: £136) in relation to travel costs.

Indemnity insurance is maintained covering members of the Board in their capacity as trustees and directors.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 5 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 August 2022	7,258	24,345	150,216	181,819
Additions	-	6,829	62,364	69,193
Disposals	-	(1,260)	-	(1,260)
At 31 July 2023	<u>7,258</u>	<u>29,914</u>	<u>212,580</u>	<u>249,752</u>
<b>Depreciation</b>				
At 1 August 2022	268	4,236	124,733	129,237
Charge for year	726	6,211	31,001	37,938
Disposals	-	(158)	-	(158)
At 31 July 2023	<u>994</u>	<u>10,289</u>	<u>155,734</u>	<u>167,017</u>
<b>Net book value</b>				
At 31 July 2023	<u>6,264</u>	<u>19,625</u>	<u>56,846</u>	<u>82,735</u>
At 31 July 2022	<u>£6,990</u>	<u>£20,109</u>	<u>£25,483</u>	<u>£52,582</u>

### 6 DEBTORS

	2023 £	2022 £
Prepayments and other debtors	127,013	175,979
Fees receivable	431,238	611,195
	<u>£ 558,251</u>	<u>£ 787,174</u>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	127,808	149,123
Accruals	73,406	198,994
Deferred income	328,800	332,000
Taxation and social security	44,741	36,334
License fee	-	37,962
	<u>£ 574,755</u>	<u>£754,413</u>

All deferred income relates to amounts deferred in the current year.

### 8 PROVISIONS

	2023 £	2022 £
<b>USS pension scheme funding plan</b>		
Balance brought forward	1,202,544	455,786
Movement in year	184,462	746,758
	<u>1,387,006</u>	<u>1,202,544</u>

The USS pension scheme is in deficit and a funding plan has been agreed which covers the period to 31 March 2038. Provision has been made for the liability expected to be incurred in respect of this funding plan. The provision due after more than one year as at 31 July 2023 is £1,365,204.

### 9 RELATED PARTY TRANSACTIONS

Due to the nature of the charitable company's operations and the composition of the Board members (being drawn from member organisations) it is possible that transactions will take place with Colleges in which members of the Board may have interests, by reason only of being employed by such Colleges.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 10 COMMITMENTS

#### Lease commitments – operating leases

At 31 July 2023 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	151,819	169,204
Later than 1 year and not later than 5 years	224,938	254,082
	<u>376,757</u>	<u>423,286</u>

#### Pension commitments

The charity had a principal pension scheme for employees in the year. This was the University Superannuation Scheme (USS).

USS is a defined benefit scheme, which is externally funded and valued every three years using the projected unit method.

The scheme was contracted out of the State Earnings-Related Pension Scheme.

#### Universities Superannuation Scheme

The total cost charged to the income and expenditure account is £416,508 (2022 : £981,443) as included in note 4. This is made up of pension contributions of £271,850 (2022: £238,650) and FRS 102 pension provision adjustments of £144,658 (2022: £742,793).

Deficit recovery contributions due within one year for the charity are £21,802 (prior year: £35,999).

The latest available complete actuarial valuation of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

Since the charitable company cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2023

### 10 COMMITMENTS – continued

#### Universities Superannuation Scheme – (continued)

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

#### 2020 valuation

Mortality base table: 101% of S2PMA "light" for males and 95% of S3PFA for females

Future improvement: CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females to mortality

The current life expectancies on retirement at age 65 are

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	2%	2%

**GATEWAY QUALIFICATIONS LIMITED**

England & Wales - Charity number 1114282

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# Accounts

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**REGISTERED COMPANY NUMBER 05502449**

**REGISTERED CHARITY NUMBER 1114282**

**GATEWAY QUALIFICATIONS LIMITED**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**

**31 JULY 2022**

# GATEWAY QUALIFICATIONS LIMITED

## CONTENTS

	<b>Pages</b>
Legal and administrative information	1 - 2
Report of the Board of Trustees	3 - 10
Report of the auditors	11 - 14
Statement of financial activities (including income and expenditure account)	15 - 16
Balance Sheet	17
Statement of cash flows and analysis of changes in net debt	18
Notes to the financial statements	19 - 27

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# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

### **Trustees**

#### **Chair**

David Ruddy  
West Suffolk College

#### **Vice Chair**

Lynsi Hayward-Smith  
Independent

#### **Other Trustees**

Anne Thompson  
Independent

Miles Cole  
University of Suffolk

Alison Andreas  
Colchester Institute

Alison Davies  
Chelmsford College

Federico Carlos Cubillo-Barsi (Resigned 19 November 2021)  
EYC Global

Jill Holliday  
University of Essex

Anthea Hockly  
Essex Partnership NHS Foundation Trust (Independent from  
13 July 2022)

Paul Whitehead  
Harlow College

Gail May  
University of East London

Margaret Joojo-Richards  
London Borough of Hounslow Adult and Community Education

# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

**Company Secretary** Lorraine Wreford

**Chief Executive Officer** Carol Snape

**Registered Company number** 05502449

**Registered Charity number** 1114282

**Address** Gateway House  
6 Tollgate Business Park  
Tollgate West  
Colchester  
CO3 8AB

**Auditors** Scrutton Bland LLP  
Chartered Accountants and  
Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

**Bankers** Barclays PLC  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022**

The Board of Trustees, who are also Directors for the purposes of the Companies Act, present their annual report and the financial statements of Gateway Qualifications Limited for the year ended 31 July 2022. The Trustees have adopted the provisions of the FRS 102 Charities SORP and have followed UK generally accepted accounting principles in preparing the Annual Report and Financial Statements of the charity.

Gateway Qualifications Limited was incorporated on 7 July 2005. Open College Network (North and East London and Hertfordshire) and Open College Network Anglia merged on 1 August 2005 from which date their activities were carried on by Open College Network Eastern Region. The company rebranded to Gateway Qualifications Limited in April 2013 and formally changed the company name to Gateway Qualifications Limited by means of Special Resolution approved by the Members on 5 February 2015.

### **Legal and Administrative Information**

The Board of Trustees set out below have held office during the whole of the period to the date of this report, unless otherwise stated:

<b>Chair</b>	David Ruddy West Suffolk College
<b>Vice Chair</b>	Lynsi Hayward-Smith Independent
<b>Other Trustees</b>	Anne Thompson Independent
	Miles Cole University of Suffolk
	Alison Andreas Colchester Institute
	Alison Davies Chelmsford College
	Federico Carlos Cubillo-Barsi (resigned 19 November 2021) EYC Global
	Jill Holliday University of Essex
	Anthea Hockly Essex Partnership NHS Foundation Trust (Independent from 13 July 2022)
	Paul Whitehead Harlow College
	Gail May University of East London
	Margaret Joojo-Richards London Borough of Hounslow Adult and Community Education

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022**

The appointment to the Board of Trustees is by election at a Board Meeting.

<b>Senior leadership team</b>	Carol Snape Lorraine Wreford Paul Saunders Philippa Farrell
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The Board of Trustees will establish the salary level of the Chief Executive Officer at appointment and will review on an annual basis.

SLT salaries are paid on a fixed (spot) point salary taking responsibility and market rates into account for new appointments. Any increases are based on performance and are approved by the Board of Trustees on the recommendation of the CEO.

Professional Indemnity Insurance was in place throughout the year for both the Trustees and Directors.

### **Objectives and Organisation Structure**

Gateway Qualifications Limited is a company limited by guarantee and a registered charity. The charity's governing document is its Articles of Association, originating from its inauguration and updated by Special Resolution on 16 October 2019. The Objects of the charity are reported below under Objectives and Activities.

The charity drew its initial Trustees from the inaugural members of the company as the signatories to the Articles of Association. Subsequent Trustees are recruited through a search process instigated by the Board of Trustees. Any appointments made to the Board of Trustees are required to be ratified at the next Board Meeting.

The Board of Trustees has established four committees, a Finance and General Purposes Committee, a Quality and Standards Committee, an Access to Higher Education Committee and a Search and Review Committee. The remit and terms of reference for these committees are clearly set out and included in the charity's Governance Manual. Any decisions made by these committees are either made with the delegated authority of the Board of Trustees, or are referred to the Board of Trustees for ratification. All four committees have a Chair and Vice Chair who are Trustees, and any members of the committees who are not Trustees need to be approved by the Board of Trustees.

Performance of the Trustees is conducted via a process of individual self-evaluation linked to an annual skills audit and performance review conducted by the Chair of the Board, and an established Governance Working Party reviews and updates continuing professional development on an on-going basis. The regulatory requirement for on-going self-evaluation further informs the process.

In setting Gateway Qualifications' objectives and planning its activities the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit. In doing so, the Board of Trustees has complied with its duties in this area as set out in section 4 of the Charities Act 2006.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022**

### **Regulators**

During the year ended July 2022 Gateway Qualifications was accredited to operate with a number of Regulators, as follows: Ofqual, Qualifications Wales, and as an Access Validating Agency, licensed by the Quality Assurance Agency for Higher Education (QAA) to validate Access to Higher Education programmes and to issue Access to HE certificates to learners.

### **Membership**

In January 2019, based on legal advice, the Board of Trustees approved that the company assume a "foundation structure". The "foundation structure" was adopted by special resolution by the Members in September 2019. By adoption of the Foundation Structure, Membership of the Charity is automatically held by the Trustees of the Charity. Should a Trustee resign from his/her position as a Trustee, he/she will be automatically removed from the Membership of the Charity.

### **Risks and Reserves**

Gateway Qualifications Limited Board of Trustees has three layers of reserves requirements. The Operational Reserve is set to cover the peaks and troughs in the business cycle, the Opportunistic Reserve enabling the company to invest in opportunities without the need to compromise the Operational Reserve, and the longer-term reserve which is intended to reduce the impact upon the company of large changes within the external environment.

Gateway Qualifications Limited Board of Trustees is pleased to report that for the year ended July 2022, the reserve requirements have been fully achieved. The operational reserve, being seven months of budgeted cost is £1,881,928, the opportunistic reserve is £500,000 and the long term reserve has reached £1,246,398 exceeding the target of £1,000,000. The reserves figure of £3,628,326 at the end of the financial year places the company in a favourable financial position for the forthcoming years.

### **Risk Management**

The Board of Trustees continues to oversee work to mitigate risk to the company by the adoption of a risk based approach to all of the company's work, and the tight tracking of the level of risk both at management and organisational level. Risk identification is tightly aligned to the strategic and operating plans of Gateway Qualifications Limited, and monitored and managed at monthly review meetings.

The Risk and Issue Management Policy ensures that risk identification happens at operational as well as strategic levels, each team and project operating their own risk register linking into an identified escalation process. Team meetings continue to act as a means of identifying potential risk areas. In addition:

- All Board and management meetings have risk and issue management as a standard agenda item.
- A risk based monitoring approach to managing Centres is embedded.
- Quality improvement continues to be a focus for all provision.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022**

### **Risk Management – (continued)**

The major risks to which the charity is exposed are reviewed and set out in the Business Continuity Plan, together with the systems established to mitigate those risks.

The principal risks and uncertainties facing the charity are identified as follows:

- Potential loss of income associated with Government policy changes with regards to educational provision, regulatory requirements and associated funding decisions.
- Adequate resources required to support different qualifications types and assessment strategies associated with changing Government policy.
- Adequate and appropriate staffing requirements are maintained, whilst at the same time not increasing prices for customers.

Plans and strategies for managing those risks include:

- A strategy of diversification of product range developed with, and monitored by, the Board of Trustees, to ensure that the risk of external changes is spread with different product offerings replacing products at risk.
- Close monitoring of types of qualifications offered and associated resource requirements, through the Quality and Standards Committee and overseen by the Board of Trustees.
- An on-going review of staffing requirements, with adjustments made as required, to ensure that staffing levels are maintained in an appropriate and affordable way as the market changes.

### **Objectives and Activities**

#### **Charitable Objects and Public Benefit**

The objects (“the Objects”) for which the Charity is established are the advancement of learning and education of the public by in particular, but not exclusively, one or more of the following ways:-

by promoting and widening participation in education and training, particularly by those who have benefited least from existing provision;

by improving the quality and flexibility of education and training provision for the public benefit, particularly for those learners who have previously been excluded from educational opportunities;

by improving the educational welfare and access to learning opportunities and facilitating progression to further learning, employment and higher education particularly through regulated qualifications;

by complying with the various regulators or the appropriate agency acting on behalf of the Department for Education or relevant government departments or bodies;

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022**

### **Charitable Objects and Public Benefit – (continued)**

improving access to higher education by establishing, operating as an Access Validating Agency under licence from The Quality Assurance Agency for Higher Education according to the principles of the diploma specification; and

by encouraging and assisting organisations to provide a wider range of quality assured accredited learning opportunities.

In order to achieve these objectives Gateway Qualifications Limited undertakes accreditation activities with a wide range of education and training providers, offering Gateway Qualifications Limited qualifications, Access to HE Diploma courses and quality assured programmes. This accreditation ranges primarily from Entry Level to Level Six for which Gateway Qualifications Limited quality assures the provision, and certifies learners who achieve either credit or qualifications.

Gateway Qualifications Limited has had regard to the Charity Commission's guidance on public benefit. The principles, and the relevance of the activities of Gateway Qualifications Limited to these principles, are set out below:

*Principle 1: there must be an identifiable benefit or benefits*

Gateway Qualifications Limited works to achieve widening participation and educational opportunities in further and higher education and in other education providers by improving the quality and flexibility of education and training provision.

*Principle 2: Benefit must be to the public or section of the public*

Gateway Qualifications Limited focuses on the public in England and Wales, especially those learners who have previously not had the full benefit of educational opportunities.

Gateway Qualifications' Strategic Aims for 2022-2023 are:

1. Transformation to Support Growth
2. Innovation in Product, Assessment and Delivery
3. Evolution of Infrastructure and Capacity

Gateway Qualifications' goals and milestones for achieving these objectives are detailed in its 2022-25 Strategic Plan and its 2022-23 Operating Plan.

### **Achievement and Performance**

Significant external challenges continue as the government implements its reform programme for post 16 technical education and training, and the company continues to respond and change in order to meet customers' requirements within this environment. The external environment continues to place challenges with the squeeze on awarding organisations being felt from both the policy makers and the funders. The impact of COVID-19 placed additional pressures on the education and awarding sectors. Despite these challenges, Gateway Qualifications Limited achieved income of £4,072,733 to 31 July 2022.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022**

### **Achievements 2021-22**

- Achieved sales income of £4,073k with a surplus of £247k
- Developed 12 new qualifications to support learners for both Ofqual regulated Qualifications and Access to HE Diplomas
- 26 new centres came on board to run EDSQs, making a total of 203 centres approved to run these qualifications and 11,000 learners registered
- Achieved a 14% increase on customer base
- Retention of the Customer Excellence Standard and achievement of Compliance Plus in 35 (out of 57) elements
- Renewed Cyber Essentials certification and gained Cyber Essentials Plus certification
- Successfully recruited 10 new staff to key roles, 6 of which were new roles to support growth.
- Invested in the IT infrastructure to support customers and improve service
- Established partnerships with a number of key centres in relation to Local Skills Improvement Partnerships and SDF1 and 2 bids
- Successfully implemented first year of CASS strategy, centre risk management model and associated procedures
- Inaugural Digital Workshop at AELP National Conference secured and successfully run raising brand profile and reaching a wider audience
- ESOL increase in sales year on year of 57%
- Launch of Strategic Implementation Programme 2025 to support delivery of ambitious growth and investment strategy for the period 2022-2025

### **Review of Financial Position**

The company achieved income of £4,073k which is a 34% increase compared with the previous year. A considerable achievement leading on from the support the company gave its customers as they returned to classroom learning following many months of national and local lockdowns due to COVID-19 and the associated disruption to education.

Expenditure for the year was £3,825k, which was £1,129k more than 2020-21. The primary reason for the increase in costs related to a £747k increase in the provision in respect of the Company's pension. Underlying costs were £432k higher than the previous year as a result of higher staffing and recruitment costs, increased travel costs and a higher level of expenditure on IT services.

The overall outturn is a £247k surplus, which is £102k lower than the previous year but this can be attributed to the increase in the company's pension provision.

Reserves at year end are £3.6m and equate to one hundred and seven percent of the total reserve policy having been achieved.

As in the previous year, throughout 2021-22 the charity has worked to raise its profile with the intention of ensuring that as many learning providers and learners as possible are aware of the services and benefits available from Gateway Qualifications. Particular activities which have taken place in this respect are:

- Chief Executive Officer meetings with Principals and Vice Principals of FE Colleges and other providers

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022**

### **Review of Financial Position – (continued)**

- Worked strategically with HMPPS to support the IT infrastructure and internet access for prisoners, enabling the successful piloting of EDSQ across the prison estate
- Expanded membership of network groups across the north of England enabling the charitable benefits to reach a wider audience
- The introduction of “sector discussion” webinars, where Centres and experts discuss approaches to issues facing the sector
- Engagement with online events, whether they be with regulators, funders or other key stakeholders, in support of maintaining, and in some cases, defending, the funded provision for our centres and learners who benefit from our charitable purpose
- Sponsorship of a number of key activities and initiatives designed to support disadvantaged learners to achieve their learning ambitions

More generally, the charity supports the work of smaller centres which are often working with disadvantaged groups, giving a significant amount of curriculum and quality systems support without charge. These smaller centres are predominantly voluntary and community sector organisations which account for 6% of the charity’s recognised centres but contribute only 2.1% of the charity’s income.

The charity continues to advance education for the general public through the development and provision of regulated qualifications and units, which, provided acceptable quality standards are demonstrated, are offered to all members of the public. Gateway Qualifications Limited continues to demonstrate its objective of widening participation in education by working with groups and communities for which traditional or formal education is not appropriate, for example learners at lower educational levels, learners with few formal qualifications, young learners not in employment, education or training, learners at risk of offending or learners based in offender institutions and adult learners looking for an appropriate route into higher education.

### **Board of Trustees’ responsibilities for the financial statements**

The trustees (who are also directors of Gateway Qualifications Limited for the purposes of company law) are responsible for preparing the Trustees’ Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

## GATEWAY QUALIFICATIONS LIMITED

### REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2022

#### Board of Trustees' responsibilities for the financial statements – (continued)

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company has taken the exemption available to small companies from presenting a strategic report.

#### Approval

David Ruddy Chair to the Board at the Board of Trustees meeting dated 1 February 2023

Approved by the Board of Trustees on 1 February 2023 and signed on their behalf by

D Ruddy



# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Opinion**

We have audited the financial statements of Gateway Qualifications Limited (the charitable company) for the year ended 31 July 2022 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the Statement of Cash Flows and analysis of changes in net debt 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees' were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 9 and 10 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Director of Finance (as required by auditing standards) and senior management, inspection of the Charity's regulatory and legal correspondence and discussed with the Director of Finance the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED

## Auditor's responsibilities for the audit of the financial statements(continued)

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with the requirements of OFQUAL, The Charity Commission, Qualification Wales, QAA, health and safety, corporate governance including safeguarding and wellbeing, human rights and employment law, anti-bribery and corruption and UK GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Charity complies with such regulations, enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Scrutton Bland LLP*

**Timothy O'Connor**  
Senior Statutory Auditor

For and on behalf of Scrutton Bland LLP  
Chartered Accountants and Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

9/3/23

## GATEWAY QUALIFICATIONS LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2022

	Unrestricted funds 2022 Total £	Unrestricted funds 2021 Total £
<b>Donations</b>		
Donations received – intangible income	1,560	1,530
<b>Income from charitable activities</b>		
Annual centre approval fees	304,875	271,500
Learner registration	3,730,942	2,740,746
Conferences and training fees	17,985	13,525
Replacement certificate fees	12,250	10,875
Sundry income	2,500	3,262
Bank interest	2,621	3,574
	<u>4,071,173</u>	<u>3,043,482</u>
<b>Total Income</b>	<u>4,072,733</u>	<u>3,045,012</u>
<b>Expenditure on charitable activities</b>		
Rent and rates	68,713	91,861
Staff costs	2,604,823	1,647,901
Temporary staff costs	9,808	8,884
Moderation fees	311,488	260,127
Moderation travel and expenses	11,094	460
Certificates	43,962	22,649
Travel and subsistence	17,649	442
Printing, postage and stationery	16,498	2,884
Recruitment	33,895	10,364
Staff related costs	23,719	15,906
Conferences, books and publications	9,434	5,250
Payroll and pension administration charges	1,962	1,808
Bad debts	7,834	(3,298)
Depreciation	29,071	30,671
Insurance	7,426	7,169
<b>Expenditure - carried forward</b>	<u>3,197,376</u>	<u>2,103,078</u>

## GATEWAY QUALIFICATIONS LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2022

	Unrestricted funds 2022 Total £	Unrestricted funds 2021 Total £
<b>Expenditure - brought forward</b>	<b>3,197,376</b>	<b>2,103,078</b>
<b>Expenditure on charitable activities – (continued)</b>		
Legal and professional	45,588	26,716
Subscriptions	5,068	4,231
ICT support and maintenance	190,606	181,394
ICT services	49,170	6,046
Office equipment	44,045	28,672
Marketing and publicity	121,810	136,715
Equipment rental	5,639	5,138
Bank charges	1,029	699
Interest payable	3,965	2,963
Awarding status organisation costs	4,580	2,672
Qualification development costs	38,526	29,665
Consultancy	63,573	137,362
QAA	18,966	19,044
Auditors' remuneration	9,060	9,120
Loss on disposals	26,483	-
Donation	-	2,680
<b>Total expenditure</b>	<b>3,825,484</b>	<b>2,696,195</b>
<b>Net income for the year</b>	<b>247,249</b>	<b>348,817</b>
<b>Balance brought forward at 1 August 2021</b>	<b>3,381,077</b>	<b>3,032,260</b>
<b>Balance carried forward at 31 July 2022</b>	<b>3,628,326</b>	<b>3,381,077</b>

The statement above includes all gains and losses recognised in each of the above two years.

There was no other comprehensive income in either of the above two years.

All activities relate to continuing operations.

# GATEWAY QUALIFICATIONS LIMITED

## BALANCE SHEET AS AT 31 JULY 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	5	<u>52,582</u>	<u>68,703</u>
<b>Current assets</b>			
Debtors	6	787,174	444,876
Cash at bank and in hand		<u>4,745,527</u>	<u>3,802,140</u>
		5,532,701	4,247,016
<b>Creditors: amounts falling due within one year</b>	7	<u>754,413</u>	<u>478,856</u>
<b>Net current assets</b>		<u>4,778,288</u>	<u>3,768,160</u>
<b>Total assets less current liabilities</b>		<b>4,830,870</b>	3,836,863
<b>Provisions</b>	8	<u>1,202,544</u>	<u>455,786</u>
<b>Net assets</b>		<u><b>£3,628,326</b></u>	<u>£3,381,077</u>
<b>Funds</b>			
Unrestricted funds		<u><b>£3,628,326</b></u>	<u>£3,381,077</u>

Approved by the Board of Trustees on 1 February 2023 and signed on its behalf by

D Ruddy



Company Number: 05502449  
Charity Number: 1114282

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2022

	2022 £	2021 £
<b>Net income</b>	<b>247,249</b>	348,817
Add Depreciation	29,071	30,671
Loss on disposal of fixed assets	26,483	-
Less Interest received	(2,621)	(3,574)
(Increase) in debtors	(342,298)	(216,647)
Increase in creditors	275,557	78,653
Increase in provisions	746,758	49,853
<b>Cash generated from operating activities</b>	<b>980,199</b>	287,773
<b>Cash flows from investing activities</b>		
Interest received	2,621	3,574
Purchase of tangible fixed assets	(50,690)	(16,398)
Proceeds from sale of fixed assets	11,257	-
<b>Cash expended on investing activities</b>	<b>(36,812)</b>	(12,824)
<b>Increase in cash and cash equivalents during the year</b>	<b>943,387</b>	274,949
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,802,140</b>	3,527,191
<b>Cash and cash equivalents at the end of the year</b>	<b>£4,745,527</b>	£3,802,140
<b>Analysis of changes in net debt</b>		
Cash at bank and in hand:		
At 1 August	3,802,140	3,527,191
Cashflows	943,387	274,949
At 31 July	<b>£4,745,527</b>	£3,802,140

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 1 GENERAL INFORMATION

Gateway Qualifications Limited is a charitable company limited by guarantee, incorporated in England and Wales, registered company number 05502449 and registered charity number 1114282. The address of the registered office is Gateway House, 3 Tollgate Business Park, Tollgate West, Colchester, CO3 8AB.

### 2 ACCOUNTING POLICIES

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The following principal accounting policies have been applied:

#### ***Going concern***

Having considered the charitable company's forecasts and projections the Trustees are satisfied that the charitable company has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. The Trustees also consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### ***Income and expenditure***

Income and expenditure are accounted for on an accruals basis.

Income and expenditure are allocated in the Statement of Financial Activities on a basis which is considered to best reflect the day to day operations of the charitable company.

#### ***Intangible income***

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable.

#### ***Leasing***

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenses on a straight line basis over the period of the lease.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 2 ACCOUNTING POLICIES – (continued)

#### *Taxation*

The company is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

#### *Tangible fixed assets*

Gateway Qualifications Limited has adopted a policy of capitalisation of fixed assets costing over £1,000. Tangible Fixed Assets are recorded in the financial statements at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	4 years straight line
Equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

#### *Pensions*

The charitable company participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charitable company is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charitable company therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the charitable company has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the charitable company recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 2 ACCOUNTING POLICIES – (continued)

#### *Cash and cash equivalents*

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

#### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- short term debtors (financial assets) are measured at the transaction price
- short term creditors (financial liabilities) are measured at the transaction price.

#### *Significant judgements and estimates*

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

There are estimates made over the discount rate, staff changes and wage inflation in relation to the USS pension provision that will be subject to some uncertainty.

### 3 NET EXPENDITURE FOR THE YEAR

The net expenditure is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	29,071	30,671
Auditors' remuneration in respect of audit services	9,060	9,120
Operating lease payments	58,229	86,711

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 4 STAFF COSTS

	2022 £	2021 £
Wages and salaries	1,464,314	1,309,183
Social security costs	159,066	133,991
Pension costs (note 10)	981,443	204,727
	<u>2,604,823</u>	<u>£1,647,901</u>

The monthly number of employees, calculated on a full time basis, during the year was made up as follows :

Management, administration and service provision	<u>35</u>	<u>33</u>
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The monthly number of employees, calculated on an actual basis, during the year was made up as follows :

Management, administration and service provision	<u>37</u>	<u>35</u>
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#### Higher paid employees

£60,000 to £69,999	2	2
£70,000 to £79,999	1	1
£80,000 to £89,999	1	-
£90,000 to £99,999	1	1
£120,000 to £129,999	1	-
	<u>6</u>	<u>4</u>

The total employer pension contribution for the higher paid employees above totalled £82,829 (2021 : £48,835).

Senior management team remuneration totalled £464,468 (2021 : £388,466).

No members of the Board of Trustees received remuneration for their role as trustees. A total of £136 was reimbursed to 1 trustee during the year (2021 : £59) in relation to travel costs.

Indemnity insurance is maintained covering members of the Board in their capacity as trustees and directors.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 5 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 August 2021	150,110	36,023	128,880	315,013
Additions	7,258	22,096	21,336	50,690
Disposals	(150,110)	(33,774)	-	(183,884)
At 31 July 2022	<u>7,258</u>	<u>24,345</u>	<u>150,216</u>	<u>181,819</u>
<b>Depreciation</b>				
At 1 August 2021	104,442	33,740	108,128	246,310
Charge for year	9,147	3,319	16,605	29,071
Disposals	(113,321)	(32,823)	-	(146,144)
At 31 July 2022	<u>268</u>	<u>4,236</u>	<u>124,733</u>	<u>129,237</u>
<b>Net book value</b>				
At 31 July 2022	<u>£6,990</u>	<u>£20,109</u>	<u>£25,483</u>	<u>£52,582</u>
At 31 July 2021	<u>£45,668</u>	<u>£2,283</u>	<u>£20,752</u>	<u>£68,703</u>

### 6 DEBTORS

	2022 £	2021 £
Prepayments and other debtors	175,979	98,179
Fees receivable	611,195	346,697
	<u>£787,174</u>	<u>£444,876</u>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	149,123	66,131
Accruals	198,994	76,448
Deferred income	332,000	282,750
Taxation and social security	36,334	31,692
License fee	37,962	21,835
	<u>£754,413</u>	<u>£478,856</u>

All deferred income relates to amounts deferred in the current year.

### 8 PROVISIONS

	2022 £	2021 £
<b>USS pension scheme funding plan</b>		
Balance brought forward	455,786	405,933
Movement in year	746,758	49,853
	<u>1,202,544</u>	<u>£455,786</u>

The USS pension scheme is in deficit and a funding plan has been agreed which covers the period to 31 March 2038. Provision has been made for the liability expected to be incurred in respect of this funding plan. The provision due after more than one year as at 31 July 2022 is £1,166,545.

### 9 RELATED PARTY TRANSACTIONS

Due to the nature of the charitable company's operations and the composition of the Board members (being drawn from member organisations) it is possible that transactions will take place with Colleges in which members of the Board may have interests, by reason only of being employed by such Colleges.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 10 COMMITMENTS

#### Lease commitments – operating leases

At 31 July 2022 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	169,204	71,899
Later than 1 year and not later than 5 years	254,082	154,306
	<u>423,286</u>	<u>£226,205</u>

#### Pension commitments

The charity had a principal pension scheme for employees in the year. This was the University Superannuation Scheme (USS).

USS is a defined benefit scheme, which is externally funded and valued every three years using the projected unit method.

The scheme was contracted out of the State Earnings-Related Pension Scheme.

#### Universities Superannuation Scheme

The total cost charged to the income and expenditure account is £981,443 (2021 : £204,727) as included in note 4. This is made up of pension contributions of £238,650 (2021: £154,874) and FRS 102 pension provision adjustments of £742,793 (2021: £49,853).

Deficit recovery contributions due within one year for the charity are £35,999 (prior year: £56,380).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

Since the charitable company cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

### 10 COMMITMENTS – continued

#### Universities Superannuation Scheme – (continued)

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

#### 2020 valuation

Mortality base table:	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvement:	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females to mortality

The current life expectancies on retirement at age 65 are

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	2%	2%

**GATEWAY QUALIFICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2022**

**11 FINANCIAL INSTRUMENTS**

	<b>31 July 2022 £</b>	<b>31 July 2021 £</b>
Financial assets at amortised cost	<u><b>611,345</b></u>	<u><b>346,847</b></u>
Financial liabilities at amortised cost	<u><b>340,117</b></u>	<u><b>134,579</b></u>

Financial assets measured at amortised cost comprise fees receivable and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

**GATEWAY QUALIFICATIONS LIMITED**

England & Wales - Charity number 1114282

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# Accounts

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**REGISTERED COMPANY NUMBER 05502449**

**REGISTERED CHARITY NUMBER 1114282**

**GATEWAY QUALIFICATIONS LIMITED**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**

**31 JULY 2021**

# GATEWAY QUALIFICATIONS LIMITED

## CONTENTS

	<b>Pages</b>
Legal and administrative information	1 - 2
Report of the Board of Trustees	3 - 11
Report of the auditors	12 - 15
Statement of financial activities (including income and expenditure account)	16 - 17
Balance Sheet	18
Statement of cash flows and analysis of changes in net debt	19
Notes to the financial statements	20 - 28

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# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

### **Trustees**

#### **Chair**

Miles Cole  
University of Suffolk

#### **Vice Chair**

David Ruddy  
West Suffolk College

#### **Other Trustees**

Anne Thompson  
Independent

Lynsi Hayward-Smith  
Independent

Alison Andreas  
Colchester Institute

Alison Davies  
Chelmsford College

Federico Carlos Cubillo-Barsi (Resigned 19 November 2021)  
EYC Global

Jill Holliday  
University of Essex

Anthea Hockly  
Essex Partnership NHS Foundation Trust

Paul Whitehead  
Harlow College

Gail May (Appointed 14 October 2020)  
University of East London

Margaret Joojo-Richards (Appointed 14 July 2021)  
London Borough of Hounslow Adult and Community Education

# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

**Company Secretary** Lorraine Wreford

**Chief Executive Officer** Carol Snape

**Registered Company number** 05502449  
**Registered Charity number** 1114282

**Address** Gateway House  
3 Tollgate Business Park  
Tollgate West  
Colchester  
CO3 8AB

**Auditors** Scrutton Bland LLP  
Chartered Accountants and  
Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

**Bankers** Barclays PLC  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

# GATEWAY QUALIFICATIONS LIMITED

## REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021

The Board of Trustees, who are also Directors for the purposes of the Companies Act, present their annual report and the financial statements of Gateway Qualifications Limited for the year ended 31 July 2021. The Trustees have adopted the provisions of the FRS 102 Charities SORP and have followed UK generally accepted accounting principles in preparing the Annual Report and Financial Statements of the charity.

Gateway Qualifications Limited was incorporated on 7 July 2005. Open College Network (North and East London and Hertfordshire) and Open College Network Anglia merged on 1 August 2005 from which date their activities were carried on by Open College Network Eastern Region. The company rebranded to Gateway Qualifications Limited in April 2013 and formally changed the company name to Gateway Qualifications Limited by means of Special Resolution approved by the Members on 5 February 2015.

### Legal and Administrative Information

The Board of Trustees set out below have held office during the whole of the period to the date of this report, unless otherwise stated:

<b>Chair</b>	Miles Cole University of Suffolk
<b>Vice Chair</b>	David Ruddy West Suffolk College
<b>Other Trustees</b>	Anne Thompson Independent
	Lynsi Hayward-Smith Independent
	Alison Andreas Colchester Institute
	Alison Davies Chelmsford College
	Federico Carlos Cubillo-Barsi (resigned 19 November 2021) EYC Global
	Jill Holliday University of Essex
	Anthea Hockly Essex Partnership NHS Foundation Trust
	Paul Whitehead Harlow College
	Gail May (from 14 October 2020) University of East London
	Margaret Joojo-Richards (from 14 July 2021)

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

The appointment to the Board of Trustees is by election at a Board Meeting.

<b>Senior leadership team</b>	Carol Snape Lorraine Wreford Paul Saunders Philippa Farrell
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The Board of Trustees will establish the salary level of the Chief Executive Officer at appointment and will review on an annual basis.

SLT salaries are paid on a fixed (spot) point salary taking responsibility and market rates into account for new appointments. Any increases are based on performance and are approved by the Board of Trustees on the recommendation of the CEO.

Professional Indemnity Insurance was in place throughout the year for both the Trustees and Directors.

#### **Objectives and Organisation Structure**

Gateway Qualifications Limited is a company limited by guarantee and a registered charity. The charity's governing document is its Articles of Association, originating from its inauguration and updated by Special Resolution on 16 October 2019. The Objects of the charity are reported below under Objectives and Activities.

The charity drew its initial Trustees from the inaugural members of the company as the signatories to the Articles of Association. Subsequent Trustees are recruited through a search process instigated by the Board of Trustees. Any appointments made to the Board of Trustees are required to be ratified at the next Board Meeting.

The Board of Trustees has established four committees, a Finance and General Purposes Committee, a Quality and Standards Committee, an Access to Higher Education Committee and a Search and Review Committee. The remit and terms of reference for these committees are clearly set out and included in the charity's Governance Manual. Any decisions made by these committees are either made with the delegated authority of the Board of Trustees, or are referred to the Board of Trustees for ratification. All four committees have a Chair and Vice Chair who are Trustees, and any members of the committees who are not Trustees need to be approved by the Board of Trustees.

Performance of the Trustees is conducted via a process of individual self-evaluation linked to an annual skills audit conducted by the Chair of the Board, and an established Governance Working Party reviews and updates continuing professional development on an on-going basis. The regulatory requirement for on-going self-evaluation further informs the process.

In setting Gateway Qualifications' objectives and planning its activities the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit. In doing so, the Board of Trustees has complied with its duties in this area as set out in section 4 of the Charities Act 2006.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

### **Regulators**

During the year ended July 2021 Gateway Qualifications was accredited to operate with a number of Regulators, as follows: Ofqual, Qualifications Wales, and as an Access Validating Agency, licensed by the Quality Assurance Agency for Higher Education (QAA) to validate Access to Higher Education programmes and to issue Access to HE certificates to learners.

### **Membership**

In January 2019, based on legal advice, the Board of Trustees approved that the company assume a “foundation structure”. The “foundation structure” was adopted by special resolution by the Members in September 2019. By adoption of the Foundation Structure, Membership of the Charity is automatically held by the Trustees of the Charity. Should a Trustee resign from his/her position as a Trustee, he/she will be automatically removed from the Membership of the Charity.

### **Risks and Reserves**

Gateway Qualifications Limited Board of Trustees has three layers of reserves requirements. The Operational Reserve is set to cover the peaks and troughs in the business cycle, the Opportunistic Reserve enabling the company to invest in opportunities without the need to compromise the Operational Reserve, and the longer-term reserve which is intended to reduce the impact upon the company of large changes within the external environment.

Gateway Qualifications Limited Board of Trustees is pleased to report that for the year ended July 2021, the reserve requirements have been fully achieved. The operational reserve, being seven months of budgeted cost is £1,753,928, the opportunistic reserve is £500,000 and the long term reserve has reached £1,127,149 exceeding the target of £1,000,000. The reserves figure of £3,381,077 at the end of the financial year places the company in a favourable financial position for the forthcoming years.

### **Risk Management**

The Board of Trustees continues to oversee work to mitigate risk to the company by the adoption of a risk based approach to all of the company’s work, and the tight tracking of the level of risk both at management and organisational level. Risk identification is tightly aligned to the strategic and operating plans of Gateway Qualifications Limited, and monitored and managed at monthly review meetings.

The Risk and Issue Management Policy ensures that risk identification happens at operational as well as strategic levels, each team and project operating their own risk register linking into an identified escalation process. Team meetings continue to act as a means of identifying potential risk areas. In addition:

- All Board and management meetings have risk and issue management as a standard agenda item.
- A risk based monitoring approach to managing Centres is embedded.
- Quality improvement continues to be a focus for all provision.

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

#### **Risk Management – (continued)**

The major risks to which the charity is exposed are reviewed and set out in the Business Continuity Plan, together with the systems established to mitigate those risks.

The principal risks and uncertainties facing the charity are identified as follows:

- Potential loss of income associated with Government policy changes with regards to educational provision, regulatory requirements and associated funding decisions.
- Adequate resources required to support different qualifications types and assessment strategies associated with changing Government policy.
- Adequate and appropriate staffing requirements are maintained, whilst at the same time not increasing prices for customers.

Plans and strategies for managing those risks include:

- A strategy of diversification of product range developed with, and monitored by, the Board of Trustees, to ensure that the risk of external changes is spread with different product offerings replacing products at risk.
- Close monitoring of types of qualifications offered and associated resource requirements, through the Quality and Standards Committee and overseen by the Board of Trustees.
- An annual review of staffing requirements, with adjustments made as required, to ensure that staffing levels are maintained in an appropriate and affordable way as the market changes.

#### **Objectives and Activities**

##### **Charitable Objects and Public Benefit**

On 3 November 2019, following Charity Commission consent, an email was sent requesting Members to vote on a special resolution to approve and adopt as the Articles of Association the amended Charitable Objects in substitution for and to the exclusion of all existing Articles of Association of the Charity., During the year ending July 2021, from 18 November 2020 the Charity operated under the revised Objects as outlined below.

The objects (“the Objects”) for which the Charity is established are the advancement of learning and education of the public by in particular, but not exclusively, one or more of the following ways:-

by promoting and widening participation in education and training, particularly by those who have benefited least from existing provision;

by improving the quality and flexibility of education and training provision for the public benefit, particularly for those learners who have previously been excluded from educational opportunities;

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

### **Charitable Objects and Public Benefit – (continued)**

by improving the educational welfare and access to learning opportunities and facilitating progression to further learning, employment and higher education particularly through regulated qualifications;

by complying with the various regulators or the appropriate agency acting on behalf of the Department for Education or relevant government departments or bodies;

improving access to higher education operating as an Access Validating Agency under licence from The Quality Assurance Agency for Higher Education according to the principles of the diploma specification; and

by encouraging and assisting organisations within its operational area to provide a wider range of quality assured accredited learning opportunities.

In order to achieve these objectives Gateway Qualifications Limited undertakes accreditation activities with a wide range of education and training providers, offering Gateway Qualifications Limited qualifications, Access to HE Diploma courses and quality assured programmes. This accreditation ranges primarily from Entry Level to Level Six for which Gateway Qualifications Limited quality assures the provision and certificates learners who achieve either credit or qualifications.

Gateway Qualifications Limited has had regard to the Charity Commission's guidance on public benefit. The principles, and the relevance of the activities of Gateway Qualifications Limited to these principles, are set out below:

#### *Principle 1: there must be an identifiable benefit or benefits*

Gateway Qualifications Limited works to achieve widening participation and educational opportunities in further and higher education and in other education providers by improving the quality and flexibility of education and training provision.

#### *Principle 2: Benefit must be to the public or section of the public*

Gateway Qualifications Limited focuses on the public in England and Wales, especially those learners who have previously not had the full benefit of educational opportunities.

### **Gateway Qualifications' Strategic Aims for 2021-2022 are:**

- 1. Growth**
- 2. Innovation**
- 3. Capacity**

Gateway Qualifications' goals and milestones for achieving these objectives are detailed in its 2019-22 Strategic Business Plan and its 2021-22 Operating Plan.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

### **Achievement and Performance**

Significant external challenges continue as the government implements its reform programme for post 16 technical education and training, and the company continues to respond and change in order to meet customers' requirements within this environment. The external environment continues to place challenges with the squeeze on awarding organisations being felt from both the policy makers and the funders. The impact of COVID-19 places additional pressures on the education and awarding sectors. Despite these challenges, Gateway Qualifications Limited achieved income of £3,045,012 to 31 July 2021.

### **Achievements 2020-21**

- Achieved sales in excess of £3.0m, with a surplus of £349k
- First to market and market leaders for Essential Digital Skills qualifications (EDSQs)
- Developed and ran a support programme of webinars and guidance for centres adapting to the pandemic with 2000 attendees in total via 12 webinars
- Overall during the year 103 webinars were run with 10,000 registrations and 5,000 attendees
- Achieved 25% increase in customer base during the year
- Centre Assessment Standards Scrutiny compliance achieved
- 18 qualifications included in the National Skills Fund Level 3 adult offer
- 91 new vocational skills qualifications developed regulated and approved for public funding
- 22 SWAP packages developed with comprehensive support materials to support centres and learners impacted by the pandemic and looking for employment opportunities
- 6 new Access to HE Diplomas developed, including 5 off the shelf Gateway Qualifications Diplomas
- 16 Level 3 digital qualifications developed, regulated and approved for public funding
- Developed substantial support materials to complement Gateway Qualifications' validated Access to HE Diplomas
- Developed comprehensive support materials for EDSQs
- Successfully implemented alternative awarding process – supporting both QAA and Ofqual regulated learners and all recognised centres
- Built digital sector expertise with Code Institute partnership by developing support packages for the Level 3 Diploma in Software Development
- Supported learners by sponsoring Learning Revolution Trust

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

### **Review of Financial Position**

The company achieved income of £3,045k which is a 1.4% increase compared with the previous year. A considerable achievement during ongoing national and local lockdowns due to COVID-19 and the associated disruption to education.

Expenditure for the year was £2,696k, which was £209k more than 2019-20. The primary reason for the increase in costs related to a £50k increase in the provision in respect of the Company's pension. In the previous year the pension provision decreased by £125k making a year on year difference of £175k. Underlying costs were £34k higher than the previous year.

The overall outturn is a £349k surplus, which is £167k lower than the previous year but this can be attributed to the increase in the company's pension provision.

Reserves at year end are £3.4m and equate to one hundred and four percent of the total reserve policy having been achieved.

As in the previous year, throughout 2020-21 the charity has worked to raise its profile with the intention of ensuring that as many learning providers and learners as possible are aware of the services and benefits available from Gateway Qualifications. It is of note, in particular, that during the year no staff have been furloughed as a result of the ongoing pandemic, resulting in full support being available to recognised centres and their learners during the very trying year. This has been extremely well received and appreciated by Gateway Qualifications' centres and their staff, with many compliments received.

In addition, other activities, which may previously have been face to face, have continued virtually. Particular activities which have taken place in this respect are:

- Chief Executive Officer meetings with Principals and Vice Principals of FE Colleges to support them through the challenges of the pandemic and to offer help
- Developing and running a substantial number of webinar sessions in support of centres generally, particularly through the challenges of the awarding processes in Summer 2021
- Developing and running regular on-boarding seminars for those centres taking up EDSQ qualifications
- Increasing the amount of communication with centres, through newsletters, and also by having a really informative website, developing the information flow as we became aware of requirements from the regulators
- Writing and distributing a range of newsletters and white papers as a general information and guidance source for providers and others
- The expansion of webinars as a time and cost-efficient method of disseminating information
- Engagement with online events, whether they be with regulators, funders or other key stakeholders, in support of maintaining, and in some cases, defending, the funded provision for our centres and learners who benefit from our charitable purpose

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

#### **Review of Financial Position – (continued)**

More generally, the charity supports the work of smaller centres which are often working with disadvantaged groups, giving a significant amount of curriculum and quality systems support without charge. These smaller centres are predominantly voluntary and community sector organisations which account for 7% of the charity's recognised centres but contribute only 2.2% of the charity's income.

The charity continues to advance education for the general public through the development and provision of regulated qualifications and units, which, provided acceptable quality standards are demonstrated, are offered to all members of the public. Gateway Qualifications Limited continues to demonstrate its objective of widening participation in education by working with groups and communities for which traditional or formal education is not appropriate, for example learners at lower educational levels, learners with few formal qualifications, young learners not in employment, education or training, learners at risk of offending or learners based in offender institutions and adult learners looking for an appropriate route into higher education.

#### **Board of Trustees' responsibilities for the financial statements**

The trustees (who are also directors of Gateway Qualifications Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2021**

#### **Board of Trustees' responsibilities for the financial statements – (continued)**

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company has taken the exemption available to small companies from presenting a strategic report.

#### **Approval**

David Ruddy Chair to the Board at the Board of Trustees meeting dated 2 February 2022

Approved by the Board of Trustees on 2 February 2022 and signed on their behalf by



**D Ruddy**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

### **Opinion**

We have audited the financial statements of Gateway Qualifications Limited (the charitable company) for the year ended 31 July 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the Statement of Cash Flows and analysis of changes in net debt 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees' were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 10 and 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Director of Finance (as required by auditing standards) and senior management, inspection of the Charity's regulatory and legal correspondence and discussed with the Director of Finance the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED

## Auditor's responsibilities for the audit of the financial statements(continued)

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with the requirements of OFQUAL, The Charity Commission, Qualification Wales, QAA, health and safety, corporate governance including safeguarding and wellbeing, human rights and employment law, anti-bribery and corruption and UK GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Charity complies with such regulations, enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Scrutton Bland LLP*

**Timothy O'Connor**  
Senior Statutory Auditor

For and on behalf of Scrutton Bland LLP  
Chartered Accountants and Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

5/4/22

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2021

	Unrestricted funds 2021 Total £	Unrestricted funds 2020 Total £
<b>Donations</b>		
Donations received – intangible income	1,530	6,445
	<u>          </u>	<u>          </u>
<b>Income from charitable activities</b>		
Annual centre approval fees	271,500	229,125
Learner registration	2,740,746	2,722,124
Conferences and training fees	13,525	16,590
Replacement certificate fees	10,875	7,020
Sundry income	3,262	1,407
Bank interest	3,574	19,989
	<u>          </u>	<u>          </u>
	<b>3,043,482</b>	2,996,255
	<u>          </u>	<u>          </u>
<b>Total Income</b>	<b>3,045,012</b>	3,002,700
	<u>          </u>	<u>          </u>
<b>Expenditure on charitable activities</b>		
Rent and rates	91,861	87,411
Staff costs	1,647,901	1,085,945
Temporary staff costs	8,884	107,075
Moderation fees	260,127	172,603
Moderation travel and expenses	460	14,887
Certificates	22,649	31,524
Travel and subsistence	442	34,077
Printing, postage and stationery	2,884	18,833
Recruitment	10,364	57,432
Staff related costs	15,906	15,743
Conferences, books and publications	5,250	3,564
Payroll and pension administration charges	1,808	1,661
Bad debts	(3,298)	1,587
Depreciation	30,671	29,302
Insurance	7,169	6,521
	<u>          </u>	<u>          </u>
<b>Expenditure - carried forward</b>	<b>2,103,078</b>	1,668,165

## GATEWAY QUALIFICATIONS LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2021

	Unrestricted funds 2021 Total £	Unrestricted funds 2020 Total £
<b>Expenditure - brought forward</b>	<b>2,103,078</b>	1,668,165
<b>Expenditure on charitable activities – (continued)</b>		
Hospitality	-	228
Legal and professional	<b>26,716</b>	46,998
Subscriptions	<b>4,231</b>	2,823
ICT support and maintenance	<b>181,394</b>	173,550
ICT services	<b>6,046</b>	8,435
Office equipment	<b>28,672</b>	28,456
Marketing and publicity	<b>136,715</b>	143,157
Equipment rental	<b>5,138</b>	7,194
Bank charges	<b>699</b>	643
Interest payable	<b>2,963</b>	8,392
Awarding status organisation costs	<b>2,672</b>	4,580
Qualification development costs	<b>29,665</b>	90,569
Consultancy	<b>137,362</b>	274,374
QAA	<b>19,044</b>	20,695
Auditors' remuneration	<b>9,120</b>	8,580
Donation	<b>2,680</b>	-
<b>Total expenditure</b>	<b>2,696,195</b>	2,486,839
<b>Net income for the year</b>	<b>348,817</b>	515,861
<b>Balance brought forward at 1 August 2020</b>	<b>3,032,260</b>	2,516,399
<b>Balance carried forward at 31 July 2021</b>	<b>3,381,077</b>	£3,032,260

The statement above includes all gains and losses recognised in each of the above two years.

There was no other comprehensive income in either of the above two years.

All activities relate to continuing operations.

# GATEWAY QUALIFICATIONS LIMITED

## BALANCE SHEET AS AT 31 JULY 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	<u>68,703</u>	<u>82,976</u>
<b>Current assets</b>			
Debtors	6	444,876	228,229
Cash at bank and in hand		<u>3,802,140</u>	<u>3,527,191</u>
		<b>4,247,016</b>	3,755,420
<b>Creditors: amounts falling due within one year</b>	7	<u>478,856</u>	<u>400,203</u>
<b>Net current assets</b>		<u>3,768,160</u>	<u>3,355,217</u>
<b>Total assets less current liabilities</b>		<b>3,836,863</b>	3,438,193
<b>Provisions</b>	8	<u>455,786</u>	<u>405,933</u>
<b>Net assets</b>		<u><b>£3,381,077</b></u>	<u><b>£3,032,260</b></u>
<b>Funds</b>			
Unrestricted funds		<u><b>£3,381,077</b></u>	<u><b>£3,032,260</b></u>

Approved by the Board of Trustees on 2 February 2022 and signed on its behalf by



**D Ruddy**

Company Number: 05502449  
Charity Number: 1114282

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2021

	2021 £	2020 £
<b>Net income</b>	<b>348,817</b>	515,861
Add Depreciation	<b>30,671</b>	29,302
Less Interest received	<b>(3,574)</b>	(19,989)
(Increase)/decrease in debtors	<b>(216,647)</b>	182,948
Increase/(decrease) in creditors	<b>78,653</b>	(12,255)
Increase/(decrease) in provisions	<b>49,853</b>	(125,184)
<b>Cash generated from operating activities</b>	<b>287,773</b>	570,683
<b>Cash flows from investing activities</b>		
Interest received	<b>3,574</b>	19,989
Purchase of tangible fixed assets	<b>(16,398)</b>	(19,869)
<b>Cash (expended)/generated from investing activities</b>	<b>(12,824)</b>	120
<b>Increase in cash and cash equivalents during the year</b>	<b>274,949</b>	570,803
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,527,191</b>	2,956,388
<b>Cash and cash equivalents at the end of the year</b>	<b>£ 3,802,140</b>	£ 3,527,191
<b>Analysis of changes in net debt</b>		
Cash at bank and in hand:		
At 1 August	<b>3,527,191</b>	2,956,388
Cashflows	<b>274,949</b>	570,803
At 31 July	<b>£3,802,140</b>	£3,527,191

# **GATEWAY QUALIFICATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021**

### **1 GENERAL INFORMATION**

Gateway Qualifications Limited is a charitable company limited by guarantee, incorporated in England and Wales, registered company number 05502449 and registered charity number 1114282. The address of the registered office is Gateway House, 3 Tollgate Business Park, Tollgate West, Colchester, CO3 8AB.

### **2 ACCOUNTING POLICIES**

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The following principal accounting policies have been applied:

#### ***Going concern***

Having considered the charitable company's forecasts and projections the Trustees are satisfied that the charitable company has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. The Trustees also consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### ***Income and expenditure***

Income and expenditure are accounted for on an accruals basis.

Income and expenditure are allocated in the Statement of Financial Activities on a basis which is considered to best reflect the day to day operations of the charitable company.

#### ***Intangible income***

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable.

#### ***Leasing***

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenses on a straight line basis over the period of the lease.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 2 ACCOUNTING POLICIES – (continued)

#### *Taxation*

The company is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

#### *Tangible fixed assets*

Gateway Qualifications Limited has adopted a policy of capitalisation of fixed assets costing over £1,000. Tangible Fixed Assets are recorded in the financial statements at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	4 years straight line
Equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

#### *Pensions*

The charitable company participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charitable company is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its shares of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charitable company therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the charitable company has entered into an agreement (the Recovery Plan) that determines how much employers within the scheme will fund the overall deficit, the charitable company recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 2 ACCOUNTING POLICIES – (continued)

#### *Cash and cash equivalents*

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

#### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- short term debtors (financial assets) are measured at the transaction price
- short term creditors (financial liabilities) are measured at the transaction price.

#### *Significant judgements and estimates*

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

There are estimates made over the discount rate, staff changes and wage inflation in relation to the USS pension provision that will be subject to some uncertainty.

### 3 NET EXPENDITURE FOR THE YEAR

The net expenditure is stated after charging:

	<b>2021</b>	<b>2020</b>
	£	£
Depreciation of tangible fixed assets	<b>30,671</b>	29,302
Auditors' remuneration in respect of audit services	<b>9,120</b>	8,580
Operating lease payments	<b>86,711</b>	78,705

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 4 STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,309,183	963,451
Social security costs	133,991	105,288
Pension costs	204,727	17,206
	<u>£1,647,901</u>	<u>£1,085,945</u>

The monthly number of employees, calculated on a full time basis, during the year was made up as follows :

Management, administration and service provision	<u>33</u>	<u>26</u>
--------------------------------------------------	-----------	-----------

The monthly number of employees, calculated on an actual basis, during the year was made up as follows :

Management, administration and service provision	<u>35</u>	<u>28</u>
--------------------------------------------------	-----------	-----------

#### Higher paid employees

£60,000 to £69,999	-	-
£70,000 to £79,999	1	-
£80,000 to £89,999	2	1
£100,000 to £109,999	-	1
£110,000 to £119,999	1	1
	<u>4</u>	<u>3</u>

Senior management team remuneration totalled £355,747 (2020 : £300,882).

No members of the Board of Trustees received remuneration for their role as trustees. A total of £59 was reimbursed to 1 trustee during the year (2020 : £930) in relation to travel costs.

Indemnity insurance is maintained covering members of the Board in their capacity as trustees and directors.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 5 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 August 2020	150,110	36,023	112,482	298,615
Additions	-	-	16,398	16,398
At 31 July 2021	<u>150,110</u>	<u>36,023</u>	<u>128,880</u>	<u>315,013</u>
<b>Depreciation</b>				
At 1 August 2020	89,219	31,456	94,964	215,639
Charge for year	15,223	2,284	13,164	30,671
At 31 July 2021	<u>104,442</u>	<u>33,740</u>	<u>108,128</u>	<u>246,310</u>
<b>Net book value</b>				
At 31 July 2021	<u>£45,668</u>	<u>£2,283</u>	<u>£20,752</u>	<u>£68,703</u>
At 31 July 2020	<u>£60,891</u>	<u>£4,567</u>	<u>£17,518</u>	<u>£82,976</u>

### 6 DEBTORS

	2021 £	2020 £
Prepayments and other debtors	98,179	48,670
Fees receivable	346,697	179,559
	<u>£444,876</u>	<u>£228,229</u>

## GATEWAY QUALIFICATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

#### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	66,131	87,245
Accruals	76,448	59,555
Deferred income	282,750	227,250
Taxation and social security	31,692	26,153
License fee	21,835	-
	<u>£478,856</u>	<u>£400,203</u>

All deferred income relates to amounts deferred in the current year.

#### 8 PROVISIONS

	2021 £	2020 £
<b>USS pension scheme funding plan</b>		
Balance brought forward	405,933	531,117
Movement in year	49,853	(125,184)
	<u>£455,786</u>	<u>£405,933</u>

The USS pension scheme is in deficit and a funding plan has been agreed which covers the period to 31 March 2028. Provision has been made for the liability expected to be incurred in respect of this funding plan. The provision due after more than one year as at 31 July 2021 is £399,406.

#### 9 RELATED PARTY TRANSACTIONS

Due to the nature of the charitable company's operations and the composition of the Board members (being drawn from member organisations) it is possible that transactions will take place with Colleges in which members of the Board may have interests, by reason only of being employed by such Colleges.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 10 COMMITMENTS

#### Lease commitments – operating leases

At 31 July 2021 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	71,899	71,899
Later than 1 year and not later than 5 years	154,306	226,402
	<u>£226,205</u>	<u>£298,301</u>

#### Pension commitments

The charity had a principal pension scheme for employees in the year. This was the University Superannuation Scheme (USS).

USS is a defined benefit scheme, which is externally funded and valued every three years using the projected unit method.

The scheme was contracted out of the State Earnings-Related Pension Scheme.

#### Universities Superannuation Scheme

The total cost charged to the income and expenditure account is £204,727 (2020 : £17,206) as included in note 4. This is made up of pension contributions of £154,874 (2020 : £150,781) and FRS 102 pension provision adjustments of £49,853 (2020 : £(133,575)). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the charitable company cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 10 COMMITMENTS – continued

#### Universities Superannuation Scheme – (continued)

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £63.7 billion and the value of the Scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2021	2020
Mortality base table	<p><u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.</p> <p><u>Post retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.</p>	<p>71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.</p> <p>97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.</p>
Future improvement to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and .1.6% p.a. for females.	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

## GATEWAY QUALIFICATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

#### 10 COMMITMENTS – continued

##### Universities Superannuation Scheme – (continued)

The current life expectancies on retirement at age 65 are

	<b>2021</b>	<b>2020</b>
Males currently aged 65 (years)	<b>24.6</b>	24.4
Females currently aged 65 (years)	<b>26.1</b>	25.9
Males currently aged 45 (years)	<b>26.6</b>	26.3
Females currently aged 45 (years)	<b>27.9</b>	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate rises to 6%. The 2021 deficit recovery liability reflects this plan.

The actuarial valuation as at 31 March 2020 has been completed post year end and a recovery plan has been prepared by the Trustee of the Universities Superannuation Scheme. The Trustee has set out steps to be taken to correct the shortfall in the Scheme's assets and these are subject to consultation. A decision is required by 28 February 2022 in order to allow at least a full calendar month for implementation of the "Benefit Change Deed" by 1 April 2022. Based upon current estimates, the impact of this recovery plan is expected to increase the charitable company's required deficit provision by between £788,000 and £1,591,000 depending upon whether the Deed is entered into or not. In addition, employer contribution rates have risen from 21.1% to 21.4% from 1 October 2021.

#### 11 FINANCIAL INSTRUMENTS

	<b>31 July 2021 £</b>	<b>31 July 2020 £</b>
Financial assets at amortised cost	<b>346,847</b>	£179,710
Financial liabilities at amortised cost	<b>134,579</b>	£138,800

Financial assets measured at amortised cost comprise fees receivable and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

**GATEWAY QUALIFICATIONS LIMITED**

England & Wales - Charity number 1114282

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# Accounts

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**REGISTERED COMPANY NUMBER 05502449**

**REGISTERED CHARITY NUMBER 1114282**

**GATEWAY QUALIFICATIONS LIMITED**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**

**31 JULY 2020**

# GATEWAY QUALIFICATIONS LIMITED

## CONTENTS

	<b>Pages</b>
Legal and administrative information	1 - 2
Report of the Board of Trustees	3 - 11
Report of the auditors	12 - 14
Statement of financial activities (including income and expenditure account)	15 - 16
Balance Sheet	17
Statement of cash flows and analysis of changes in net debt	18
Notes to the financial statements	19 - 27

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# GATEWAY QUALIFICATIONS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

### Trustees

#### Chair

Miles Cole  
University of Suffolk

#### Vice Chair

David Ruddy (from 13 May 2020)  
West Suffolk College

#### Other Trustees

Anne Thompson  
Independent

Elizabeth Laycock (Resigned 13 May 2020)  
Independent

Lynsi Hayward-Smith  
Independent

Alison Andreas  
Colchester Institute

Graham Razey (Resigned 5 February 2020)  
EKC Group

Alison Davies  
Chelmsford College

Maxine Smith (Resigned 5 February 2020)  
Independent

Federico Carlos Cubillo-Barsi  
Digital Skills Solutions Limited

Jill Holliday  
University of Essex

Anthea Hockly  
Essex Partnership NHS Foundation Trust

Paul Whitehead  
Harlow College

Gail May (Appointed 14 October 2020)  
University of East London

# **GATEWAY QUALIFICATIONS LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

**Company Secretary** Lorraine Wreford

**Chief Executive Officer** Carol Snape

**Registered Company number** 05502449  
**Registered Charity number** 1114282

**Address** Gateway House  
3 Tollgate Business Park  
Tollgate West  
Colchester  
CO3 8AB

**Auditors** Scrutton Bland LLP  
Chartered Accountants and  
Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

**Bankers** Barclays PLC  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

# GATEWAY QUALIFICATIONS LIMITED

## REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020

The Board of Trustees, who are also Directors for the purposes of the Companies Act, present their annual report and the financial statements of Gateway Qualifications Limited for the year ended 31 July 2020. The Trustees have adopted the provisions of the FRS 102 Charities SORP and have followed UK generally accepted accounting principles in preparing the Annual Report and Financial Statements of the charity.

Gateway Qualifications Limited was incorporated on 7 July 2005. Open College Network (North and East London and Hertfordshire) and Open College Network Anglia merged on 1 August 2005 from which date their activities were carried on by Open College Network Eastern Region. The company rebranded to Gateway Qualifications Limited in April 2013 and formally changed the company name to Gateway Qualifications Limited by means of Special Resolution approved by the Members on 5 February 2015.

### Legal and Administrative Information

The Board of Trustees set out below have held office during the whole of the period to the date of this report, unless otherwise stated:

<b>Chair</b>	Miles Cole University of Suffolk	
<b>Vice Chair</b>	David Ruddy West Suffolk College	(from 13 May 2020)
<b>Other Trustees</b>	Anne Thompson Independent	
	Elizabeth Laycock Independent	(Resigned 13 May 2020)
	Lynsi Hayward-Smith Independent	
	Alison Andreas Colchester Institute	
	Graham Razey EKC Group	(Resigned 5 February 2020)
	Alison Davies Chelmsford College	
	Maxine Smith Independent	(Resigned 5 February 2020)
	Federico Carlos Cubillo-Barsi Digital Skills Solutions Limited	
	Jill Holliday University of Essex	

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

#### **Other Trustees (continued)**

Anthea Hockly  
Essex Partnership NHS Foundation Trust

Paul Whitehead  
Harlow College

Gail May (Appointed 14 October 2020)  
University of East London

The appointment to the Board of Trustees is by election at a Board Meeting.

#### **Senior leadership team**

Carol Snape	Lorraine Wreford
Paul Saunders	Philippa Farrell

The Board of Trustees will establish the salary level of the Chief Executive Officer at appointment and will review on an annual basis.

SLT salaries are paid on a fixed (spot) point salary taking responsibility and market rates into account for new appointments. Any increases are based on performance and are approved by the Board of Trustees on the recommendation of the CEO.

Professional Indemnity Insurance was in place throughout the year for both the Trustees and Directors.

#### **Objectives and Organisation Structure**

Gateway Qualifications Limited is a company limited by guarantee and a registered charity. The charity's governing document is its Articles of Association, originating from its inauguration and updated by Special Resolution on 16 October 2019. The Objects of the charity are reported below under Objectives and Activities.

The charity drew its initial Trustees from the inaugural members of the company as the signatories to the Articles of Association. Subsequent Trustees are recruited through a search process instigated by the Board of Trustees. Any appointments made to the Board of Trustees are required to be ratified at the next Board Meeting.

The Board of Trustees has established four committees, a Finance and General Purposes Committee, a Quality and Standards Committee, an Access to Higher Education Committee and a Search and Review Committee. The remit and terms of reference for these committees are clearly set out and included in the charity's Governance Manual. Any decisions made by these committees are either made with the delegated authority of the Board of Trustees, or are referred to the Board of Trustees for ratification. All four committees have a Chair and Vice Chair who are Trustees, and any members of the committees who are not Trustees need to be approved by the Board of Trustees.

In setting Gateway Qualifications' objectives and planning its activities the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit. In doing so, the Board of Trustees has complied with its duties in this area as set out in section 4 of the Charities Act 2006.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

### **Regulators**

During the year ended July 2020 Gateway Qualifications was accredited to operate with a number of Regulators, as follows: Ofqual, Qualifications Wales, and as an Access Validating Agency, licensed by the Quality Assurance Agency for Higher Education (QAA) to validate Access to Higher Education programmes and to issue Access to HE certificates to learners.

### **Governance Review**

At the Board of Trustees meeting in July 2018, Trustees identified the need for a governance review in order to ensure that the Articles of Association and Standing Orders remain consistent, accurate and current. A working party was formed of three Trustees and the CEO to review governance of the charity, seek and consider legal advice from the company solicitors, and propose to the full Board of Trustees any changes which may be required.

One particular recommendation from the Governance Working Party, based on legal advice, was that the company law Membership of the Charity be reduced in size, and the Charity adopts a "foundation structure", which would mean that in future Trustees would be the only company law Members of the Charity. The new Articles of Association, which encapsulate this recommendation, were approved by members by Special Resolution on 16 October 2019.

### **Membership**

By adoption of the Foundation Structure, Membership of the Charity is automatically held by the Trustees of the Charity. Should a Trustee resign from his/her position as a Trustee, he/she will be automatically removed from the Membership of the Charity.

### **Risks and Reserves**

Gateway Qualifications Limited Board of Trustees has three layers of reserves requirements. The Operational Reserve is set to cover the peaks and troughs in the business cycle, the Opportunistic Reserve enabling the company to invest in opportunities without the need to compromise the Operational Reserve, and the longer-term reserve which is intended to reduce the impact upon the company of large changes within the external environment.

Gateway Qualifications Limited Board of Trustees is pleased to report that for the year ended July 2020, the first two layers of reserves has been achieved with a figure of £1,880,110 for the Operational Reserve and £500,000 for the Opportunistic Reserve. In addition, progress has been made against achieving the Long-Term Reserve with a figure of £652,550 achieved towards a target of £1,000,000. The reserves figure of £3,032,660 at the end of the financial year places the company in a favourable financial position for the forthcoming years.

### **Risk Management**

The Board of Trustees continues to oversee work to mitigate risk to the company by the adoption of a risk based approach to all of the company's work, and the tight tracking of the level of risk both at management and organisational level. Risk identification is tightly aligned to the strategic and operating plans of Gateway Qualifications Limited, and monitored and managed at monthly review meetings.

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

#### **Risk Management – (continued)**

The Risk and Issue Management Policy ensures that risk identification happens at operational as well as strategic levels, each team and project operating their own risk register linking into an identified escalation process. Team meetings continue to act as a means of identifying potential risk areas. In addition:

- All Board and management meetings have risk and issue management as a standard agenda item.
- A risk based monitoring approach to managing Centres is embedded.
- Quality improvement continues to be a focus for all provision.

The major risks to which the charity is exposed are reviewed and set out in the Business Continuity Plan, together with the systems established to mitigate those risks.

The principal risks and uncertainties facing the charity are identified as follows:

- Potential loss of income associated with Government policy changes with regards to educational provision, regulatory requirements and associated funding decisions.
- Adequate resources required to support different qualifications types and assessment strategies associated with changing Government policy.
- Adequate and appropriate staffing requirements are maintained, whilst at the same time not increasing prices for customers.

Plans and strategies for managing those risks include:

- A strategy of diversification of product range developed with, and monitored by, the Board of Trustees, to ensure that the risk of external changes is spread with different product offerings replacing products at risk.
- Close monitoring of types of qualifications offered and associated resource requirements, through the Quality and Standards Committee and overseen by the Board of Trustees.
- An annual review of staffing requirements, with adjustments made as required, to ensure that staffing levels are maintained in an appropriate and affordable way as the market changes.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

### **Objectives and Activities**

#### **Charitable Objects and Public Benefit**

During the year ending July 2020 the Charity operated under the Objects as outlined below.

The objects ("the Objects") for which the Charity is established are the advancement of learning and education of the public by in particular, but not exclusively, one or more of the following ways:-

by promoting and widening participation in education and training, particularly by those who have benefited least from existing provision;

by improving the quality and flexibility of education and training provision for the public benefit, primarily for those learners who have previously been excluded from educational opportunities;

by improving the educational welfare and access to learning opportunities and facilitating progression to further learning, employment and higher education particularly through the award of credits and credit-based qualifications;

by supporting the arrangements of Ofqual, and the Quality Assurance Agency for Higher Education or the appropriate agency acting on behalf of the Department for Education and the Department for Business Innovation and Skills or relevant government departments to monitor the terms of their licences;

improving access to higher education by establishing, carrying on and conducting the principles of the award of credits and credit-based learning through licensing arrangements with Ofqual and operating as an Access Validating Agency under licence from The Quality Assurance Agency for Higher Education or the appropriate agency acting on behalf of the Department for Education; and

by encouraging and assisting organisations within its operational area to provide a wider range of quality assured accredited learning opportunities.

In order to achieve these objectives Gateway Qualifications Limited undertakes accreditation activities with a wide range of education and training providers, offering Gateway Qualifications Limited qualifications, Access to HE Diploma courses and quality assured programmes. This accreditation ranges primarily from Entry Level to Level Six for which Gateway Qualifications Limited quality assures the provision and certificates learners who achieve either credit or qualifications.

Gateway Qualifications Limited has had regard to the Charity Commission's guidance on public benefit. The principles, and the relevance of the activities of Gateway Qualifications Limited to these principles, are set out below:

*Principle 1: there must be an identifiable benefit or benefits*

Gateway Qualifications Limited works to achieve widening participation and educational opportunities in further and higher education and in other education providers by improving the quality and flexibility of education and training provision.

# **GATEWAY QUALIFICATIONS LIMITED**

## **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

### **Charitable Objects and Public Benefit – (continued)**

*Principle 2: Benefit must be to the public or section of the public*

Gateway Qualifications Limited focuses on the public in England and Wales, especially those learners who have previously not had the full benefit of educational opportunities.

### **Gateway Qualifications' Strategic Aims for 2020-2021 are:**

- 1. Growth**
- 2. Innovation**
- 3. Capacity**

Gateway Qualifications' goals and milestones for achieving these objectives are detailed in its 2019-22 Strategic Business Plan and its 2020-21 Operating Plan.

### **Achievement and Performance**

Significant external challenges continue as the government implements its reform programme of vocational education, and the company continues to respond and change in order to meet customers' requirements within this environment. The external environment continues to place challenges with the squeeze on awarding organisations being felt from both the policy makers and the funders. The impact of COVID-19 places additional pressures on the education and awarding sectors. Despite these challenges, Gateway Qualifications Limited achieved income in excess of £3.0m.

### **Achievements 2019-20**

- Achieved sales in excess of £3.0m, despite the impact of COVID-19
- Successfully passed Ofqual technical evaluation for EDSQ's
- Developed 8 new Access to HE Diplomas, including 1 off the shelf Gateway Qualifications Diploma
- Developed substantial support materials to complement Gateway Qualifications' validated Access to HE Diplomas
- Developed 14 new RQF qualifications
- Customer Excellence Standard achieved
- Successfully implemented alternative awarding process – supporting both QAA and Ofqual regulated learners and all recognised centres
- Completed 133 qualification reviews, and 83 qualification withdrawals
- Significant product launch for EDSQs – resulting in a substantial number of new centres signed up to run EDSQs

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

#### **Achievement and Performance (continued)**

- Development of partnership with Code Institute and successful launch of online Level 5 Diploma in Software Development
- E-certification rolled out for all recognised centres
- Supported learners by sponsoring Learning Revolution Trust and Harlow College
- 29 webinars run, 6,100 total registrations, with 60% attendance achieved

#### **Review of Financial Position**

The company achieved income of £3,003k which is a 0.5% decrease compared with the previous year and was due to lower registration in the summer term due to COVID-19.

Expenditure for the year was £2,486k, which was £231k less than 2018-19. Reported costs have fallen as a result of a £125k reduction in the provision required at the year end in respect of the USS pension scheme funding plan. In the previous year this pension provision increased by £278k, making a year on year movement on expenditure of £403k in respect of this provision. Overall, underlying costs excluding this provision movement were £172k higher than the previous year.

The overall outturn is a £516k surplus, an improvement of £218k compared to the previous year.

Reserves at year end are £3.0m and equate to ninety percent of the total reserve policy having been achieved.

As in the previous year, throughout 2019-20 the charity has worked to raise its profile with the intention of ensuring that as many learning providers and learners as possible are aware of the services and benefits available from Gateway Qualifications. It is of note, in particular, that no staff have been furloughed as a result of the pandemic, resulting in full support being available to recognised centres and their learners during the very trying period of awarding in Summer 2020. This has been extremely well received and appreciated by Gateway Qualifications' centres and their staff, with many compliments received.

In addition, other activities, which may previously have been face to face, have continued virtually. Particular activities which have taken place in this respect are:

- Chief Executive Officer meetings with Principals and Vice Principals of FE Colleges to support them through the challenges of the pandemic and to offer help
- Developing and running a substantial number of webinar sessions in support of centres generally, particularly through the challenges of the awarding processes in Summer 2020
- Developing and running a weekly on-boarding seminar for those centres taking up EDSQ qualifications

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

#### **Review of Financial Position – (continued)**

- Increasing the amount of communication with centres, through newsletters, and also by having a really informative website, developing the information flow as we became aware of requirements from the regulators
- Writing and distributing a range of newsletters and white papers as a general information and guidance source for providers and others
- The expansion of webinars as a time and cost-efficient method of disseminating information
- Engagement with online events, whether they be with regulators, funders or other key stakeholders, in support of maintaining, and in some cases, defending, the funded provision for our centres and learners who benefit from our charitable purpose.

More generally, the charity supports the work of smaller centres which are often working with disadvantaged groups, giving a significant amount of curriculum and quality systems support without charge. These smaller centres are predominantly voluntary and community sector organisations which account for 9% of the charity's recognised centres but contribute only 3.5% of the charity's income.

The charity continues to advance education for the general public through contributing to the development of credit-based qualifications and units, which, provided acceptable quality standards are demonstrated, are offered to all members of the public. Gateway Qualifications Limited continues to demonstrate its objective of widening participation in education by working with groups and communities for which traditional or formal education is not appropriate, for example learners at lower educational levels, learners with few formal qualifications, young learners not in employment, education or training, learners at risk of offending or learners based in offender institutions and adult learners looking for an appropriate route into higher education.

#### **Board of Trustees' responsibilities for the financial statements**

The trustees (who are also directors of Gateway Qualifications Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

## **GATEWAY QUALIFICATIONS LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JULY 2020**

#### **Board of Trustees' responsibilities for the financial statements – (continued)**

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The charitable company has taken the exemption available to small companies from presenting a strategic report.

#### **Approval**

Miles Cole Chair to the Board at the Board of Trustees meeting dated 3 February 2021

Approved by the Board of Trustees on 3 February 2021 and signed on their behalf by

*Miles Cole*

**M COLE**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

### **Opinion**

We have audited the financial statements of Gateway Qualifications Limited (the charitable company) for the year ended 31 July 2020 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the Statement of Cash Flows and analysis of changes in net debt 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees' were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATEWAY QUALIFICATIONS LIMITED**

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 10 and 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Timothy O'Connor**  
Senior Statutory Auditor

For and on behalf of Scrutton Bland LLP  
Chartered Accountants and Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

23/2/21

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2020

	Unrestricted funds 2020 Total £	Unrestricted funds 2019 Total £
<b>Donations</b>		
Donations received – intangible income	<u>6,445</u>	<u>6,595</u>
<b>Income from charitable activities</b>		
Annual centre approval fees	229,125	225,125
Learner registration	2,722,124	2,756,076
Conferences and training fees	16,590	5,275
Replacement certificate fees	7,020	9,281
Sundry income	1,407	1,172
Bank interest	19,989	12,848
	<u>2,996,255</u>	<u>3,009,777</u>
<b>Total Income</b>	<u>3,002,700</u>	<u>3,016,372</u>
<b>Expenditure on charitable activities</b>		
Rent and rates	87,411	83,843
Staff costs	1,085,945	1,480,202
Temporary staff costs	107,075	36,776
Moderation fees	172,603	199,584
Moderation travel and expenses	14,887	29,055
Certificates	31,524	28,434
Travel and subsistence	34,077	42,546
Printing, postage and stationery	18,833	16,887
Recruitment	57,432	41,578
Staff related costs	15,743	17,945
Conferences, books and publications	3,564	2,426
Payroll and pension administration charges	1,661	1,553
Bad debts	1,587	(1,321)
Depreciation	29,302	29,681
Insurance	6,521	5,064
<b>Expenditure - carried forward</b>	<u>1,668,165</u>	<u>2,014,253</u>

## GATEWAY QUALIFICATIONS LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 JULY 2020

	Unrestricted funds 2020 Total £	Unrestricted funds 2019 Total £
<b>Expenditure - brought forward</b>	<b>1,668,165</b>	2,014,253
<b>Expenditure on charitable activities – (continued)</b>		
Hospitality	228	-
Legal and professional	46,998	16,139
Subscriptions	2,823	6,133
ICT support and maintenance	173,550	151,509
ICT services	8,435	11,267
Office equipment	28,456	31,114
Marketing and publicity	143,157	146,494
Equipment rental	7,194	6,897
Bank charges	643	678
Interest payable	8,392	5,683
Awarding status organisation costs	4,580	2,600
Qualification development costs	90,569	93,303
Consultancy	274,374	208,982
QAA	20,695	14,325
Auditors' remuneration	8,580	8,340
<b>Total expenditure</b>	<b>2,486,839</b>	2,717,717
<b>Net income for the year</b>	<b>515,861</b>	298,655
<b>Balance brought forward at 1 August 2019</b>	<b>2,516,399</b>	2,217,744
<b>Balance carried forward at 31 July 2020</b>	<b>£3,032,260</b>	£ 2,516,399

The statement above includes all gains and losses recognised in each of the above two years.

There was no other comprehensive income in either of the above two years.

All activities relate to continuing operations.

# GATEWAY QUALIFICATIONS LIMITED

## BALANCE SHEET AS AT 31 JULY 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	<u>82,976</u>	<u>92,409</u>
<b>Current assets</b>			
Debtors	6	228,229	411,177
Cash at bank and in hand		<u>3,527,191</u>	<u>2,956,388</u>
		<b>3,755,420</b>	3,367,565
<b>Creditors: amounts falling due within one year</b>	7	<u>400,203</u>	<u>412,458</u>
<b>Net current assets</b>		<u>3,355,217</u>	<u>2,955,107</u>
<b>Total assets less current liabilities</b>		<b>3,438,193</b>	3,047,516
<b>Provisions</b>	8	<u>405,933</u>	<u>531,117</u>
<b>Net assets</b>		<u><b>£ 3,032,260</b></u>	<u><b>£2,516,399</b></u>
<b>Funds</b>			
Unrestricted funds		<u><b>£ 3,032,260</b></u>	<u><b>£2,516,399</b></u>

Approved by the Board of Trustees on 3 February 2021 and signed on its behalf by

*Miles Cole*

**M COLE**

Company Number: 05502449  
Charity Number: 1114282

# GATEWAY QUALIFICATIONS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2020

	2020 £	2019 £
<b>Net income</b>	<b>515,861</b>	298,655
Add Depreciation	<b>29,302</b>	29,681
Less Interest received	<b>(19,989)</b>	(12,848)
Add Interest paid	<b>8,392</b>	5,683
Decrease in debtors	<b>182,948</b>	34,811
(Decrease)/increase in creditors	<b>(12,255)</b>	46,223
(Decrease)/increase in provisions	<b>(125,184)</b>	273,950
<b>Cash generated from operating activities</b>	<b>579,075</b>	676,155
<b>Cash flows from investing activities</b>		
Interest received	<b>19,989</b>	12,848
Purchase of tangible fixed assets	<b>(19,869)</b>	(18,880)
<b>Cash generated from/(used in) investing activities</b>	<b>120</b>	(6,032)
<b>Cash flows from financing activities</b>		
Interest paid	<b>(8,392)</b>	(5,683)
<b>Cash used in financing activities</b>	<b>(8,392)</b>	(5,683)
<b>Increase in cash and cash equivalents during the year</b>	<b>570,803</b>	664,440
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,956,388</b>	2,291,948
<b>Cash and cash equivalents at the end of the year</b>	<b>£ 3,527,191</b>	£ 2,956,388
<b>Analysis of changes in net debt</b>		
Cash at bank and in hand:		
At 1 August	<b>2,956,388</b>	2,291,948
Cashflows	<b>570,803</b>	664,440
At 31 July	<b>£3,527,191</b>	£2,956,388

# **GATEWAY QUALIFICATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020**

### **1 GENERAL INFORMATION**

Gateway Qualifications Limited is a charitable company limited by guarantee, incorporated in England and Wales, registered company number 05502449 and registered charity number 1114282. The address of the registered office is Gateway House, 3 Tollgate Business Park, Tollgate West, Colchester, CO3 8AB.

### **2 ACCOUNTING POLICIES**

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The following principal accounting policies have been applied:

#### ***Going concern***

Having considered the charitable company's forecasts and projections the Trustees are satisfied that the charitable company has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. The Trustees also consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### ***Income and expenditure***

Income and expenditure are accounted for on an accruals basis.

Income and expenditure are allocated in the Statement of Financial Activities on a basis which is considered to best reflect the day to day operations of the charitable company.

#### ***Intangible income***

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable.

#### ***Leasing***

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenses on a straight line basis over the period of the lease.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 2 ACCOUNTING POLICIES – (continued)

#### *Taxation*

The company is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

#### *Tangible fixed assets*

Gateway Qualifications Limited has adopted a policy of capitalisation of fixed assets costing over £1,000. Tangible Fixed Assets are recorded in the financial statements at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	4 years straight line
Equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

#### *Pensions*

The charitable company participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charitable company is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its shares of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charitable company therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the charitable company has entered into an agreement (the Recovery Plan) that determines how much employers within the scheme will fund the overall deficit, the charitable company recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 2 ACCOUNTING POLICIES – (continued)

#### *Cash and cash equivalents*

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

#### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- short term debtors (financial assets) are measured at the transaction price
- short term creditors (financial liabilities) are measured at the transaction price.

#### *Significant judgements and estimates*

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

There are estimates made over the discount rate, staff changes and wage inflation in relation to the USS pension provision that will be subject to some uncertainty.

### 3 NET EXPENDITURE FOR THE YEAR

The net expenditure is stated after charging:

	<b>2020</b>	<b>2019</b>
	£	£
Depreciation of tangible fixed assets	<b>29,302</b>	29,681
Auditors' remuneration in respect of audit services	<b>8,580</b>	8,340
Operating lease payments	<b>78,705</b>	70,687

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 4 STAFF COSTS

	2020 £	2019 £
Wages and salaries	963,451	980,186
Social security costs	105,288	99,511
Pension costs	17,206	400,505
	<u>£1,085,945</u>	<u>£ 1,480,202</u>

The monthly number of employees, calculated on a full time basis, during the year was made up as follows :

Management, administration and service provision	<u>26</u>	<u>25</u>
	=	

The monthly number of employees, calculated on an actual basis, during the year was made up as follows :

Management, administration and service provision	<u>28</u>	<u>29</u>
	=	

#### Higher paid employees

£60,000 to £69,999	-	-
£70,000 to £79,999	-	1
£80,000 to £89,999	1	1
£100,000 to £109,999	1	1
£110,000 to £119,999	1	-
	<u>3</u>	<u>3</u>

Senior management team remuneration totalled £300,882 (2019 : £273,137).

No members of the Board of Trustees received remuneration for their role as trustees. A total of £930 was reimbursed to 3 trustees during the year (2019 : £1,407) in relation to travel costs.

Indemnity insurance is maintained covering members of the Board in their capacity as trustees and directors.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 5 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 August 2019	148,490	36,023	145,090	329,603
Additions	1,620	-	18,249	19,869
Disposals	-	-	(50,857)	(50,857)
	<u>150,110</u>	<u>36,023</u>	<u>112,482</u>	<u>298,615</u>
At 31 July 2020				
<b>Depreciation</b>				
At 1 August 2019	74,245	29,047	133,902	237,194
Charge for year	14,974	2,409	11,919	29,302
Disposals	-	-	(50,857)	(50,857)
	<u>89,219</u>	<u>31,456</u>	<u>94,964</u>	<u>215,639</u>
At 31 July 2020				
<b>Net book value</b>				
At 31 July 2020	<u>£60,891</u>	<u>£4,567</u>	<u>£17,518</u>	<u>£82,976</u>
At 31 July 2019	<u>£ 74,245</u>	<u>£ 6,976</u>	<u>£ 11,188</u>	<u>£ 92,409</u>

### 6 DEBTORS

	2020 £	2019 £
Prepayments and other debtors	48,670	30,339
Fees receivable	179,559	380,838
	<u>£228,229</u>	<u>£ 411,177</u>

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	87,245	67,910
Accruals	59,555	98,310
Deferred income	227,250	221,250
Taxation and social security	26,153	24,988
	<u>£400,203</u>	<u>£ 412,458</u>

All deferred income relates to amounts deferred in the current year.

### 8 PROVISIONS

	2020 £	2019 £
<b>USS pension scheme funding plan</b>		
Balance brought forward	531,117	257,167
Movement in year	(125,184)	273,950
	<u>£405,933</u>	<u>£ 531,117</u>

The USS pension scheme is in deficit and a funding plan has been agreed which covers the period to 31 March 2028. Provision has been made for the liability expected to be incurred in respect of this funding plan. The provision due after more than one year as at 31 July 2020 is £390,391.

### 9 RELATED PARTY TRANSACTIONS

Due to the nature of the charitable company's operations and the composition of the Board members (being drawn from member organisations) it is possible that transactions will take place with Colleges in which members of the Board may have interests, by reason only of being employed by such Colleges.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 10 COMMITMENTS

#### Lease commitments – operating leases

At 31 July 2020 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	71,899	23,409
Later than 1 year and not later than 5 years	226,402	15,829
	<u>£298,301</u>	<u>£ 39,238</u>

#### Pension commitments

The charity had a principal pension scheme for employees in the year. This was the University Superannuation Scheme (USS).

USS is a defined benefit scheme, which is externally funded and valued every three years using the projected unit method.

The scheme was contracted out of the State Earnings-Related Pension Scheme.

#### Universities Superannuation Scheme

The total cost charged to the income and expenditure account is £17,206 (2019 : £400,505) as included in note 4. This is made up of pension contributions of £150,781 (2019 : £132,166) and FRS 102 pension provision adjustments of £(133,575) (2019 : £268,339). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the charitable company cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 10 COMMITMENTS – continued

#### Universities Superannuation Scheme – (continued)

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £63.7 billion and the value of the Scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020	2019
Mortality base table	<p><u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.</p> <p><u>Post retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.</p>	<p>71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.</p> <p>96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.</p>
Future improvement to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and .1.6% p.a. for females.	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

# GATEWAY QUALIFICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

### 10 COMMITMENTS – continued

#### Universities Superannuation Scheme – (continued)

The current life expectancies on retirement at age 65 are

	<b>2020</b>	<b>2019</b>
Males currently aged 65 (years)	<b>24.4</b>	24.6
Females currently aged 65 (years)	<b>25.9</b>	26.1
Males currently aged 45 (years)	<b>26.3</b>	16.6
Females currently aged 45 (years)	<b>27.7</b>	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will raise to 6%. The 2020 deficit recovery liability reflects this plan.

### 11 FINANCIAL INSTRUMENTS

	<b>31 July 2020 £</b>	<b>31 July 2019 £</b>
Financial assets at amortised cost	<b><u>£179,710</u></b>	<u>£ 380,989</u>
Financial liabilities at amortised cost	<b><u>£138,800</u></b>	<u>£ 158,220</u>

Financial assets measured at amortised cost comprise fees receivable and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.