

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

	Pages
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

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:

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

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 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 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.

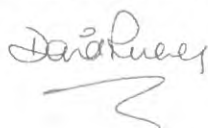
Auditor

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 £
Donations		
Donations received – intangible income	2,425	1,560
Income from charitable activities		
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
	4,573,011	4,071,173
Total Income	4,575,436	4,072,733
Expenditure on charitable activities		
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
Expenditure - carried forward	2,896,644	3,197,376

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 £
Expenditure - brought forward	2,896,644	3,197,376
Expenditure on charitable activities – (continued)		
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
Total expenditure	3,753,261	3,825,484
Net income for the year	822,175	247,249
Balance brought forward at 1 August 2022	3,628,326	3,381,077
Balance carried forward at 31 July 2023	4,450,501	3,628,326

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.

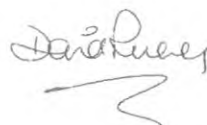
GATEWAY QUALIFICATIONS LIMITED

BALANCE SHEET AS AT 31 JULY 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	5	<u>82,735</u>	<u>52,582</u>
Current assets			
Debtors	6	558,251	787,174
Cash at bank and in hand		<u>5,771,276</u>	<u>4,745,527</u>
		6,329,527	5,532,701
Creditors: amounts falling due within one year	7	<u>574,755</u>	<u>754,413</u>
Net current assets		<u>5,754,772</u>	<u>4,778,288</u>
Total assets less current liabilities		5,837,507	4,830,870
Provisions	8	<u>1,387,006</u>	<u>1,202,544</u>
Net assets		<u>£4,450,501</u>	<u>£3,628,326</u>
Funds			
Unrestricted funds		<u>£4,450,501</u>	<u>£3,628,326</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 £
Net income	822,175	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
Cash generated from operating activities	1,107,754	984,164
Cash flows from investing activities		
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
Cash expended on investing activities	(42,201)	(36,812)
Cash flows from financing activities		
Interest paid	(39,804)	(3,965)
Cash expended on financing activities	(39,804)	(3,965)
Increase in cash and cash equivalents during the year	1,025,749	943,387
Cash and cash equivalents at the beginning of the year	4,745,527	3,802,140
Cash and cash equivalents at the end of the year	£5,771,276	£4,745,527
Analysis of changes in net debt		
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

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 £
Cost				
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>
Depreciation				
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>
Net book value				
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 £
USS pension scheme funding plan		
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).

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%