

REGISTERED COMPANY NUMBER: 03760619 (England and Wales)
REGISTERED CHARITY NUMBER: 1078360



**City
Gateway**
/

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

FOR THE YEAR ENDED 31 AUGUST 2020

FOR

CITY GATEWAY

Imagine a society where
everyone reaches their full
potential.

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

City Gateway

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City Gateway

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

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

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

Registered Company number 03760619 (England and Wales)

Registered Charity number 1078360

Registered Office The Pavilion 2 Clove Crescent London E14 2BE

TRUSTEES

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

CHIEF EXECUTIVE

David Wesson (resigned 28th September 2020)
Diane Betts (appointed 21st October 2020)

Auditor

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

Bank

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

WHY WE DO WHAT WE DO?

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

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

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

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

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

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

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

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

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

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

Anonymous Learner

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

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

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

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

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

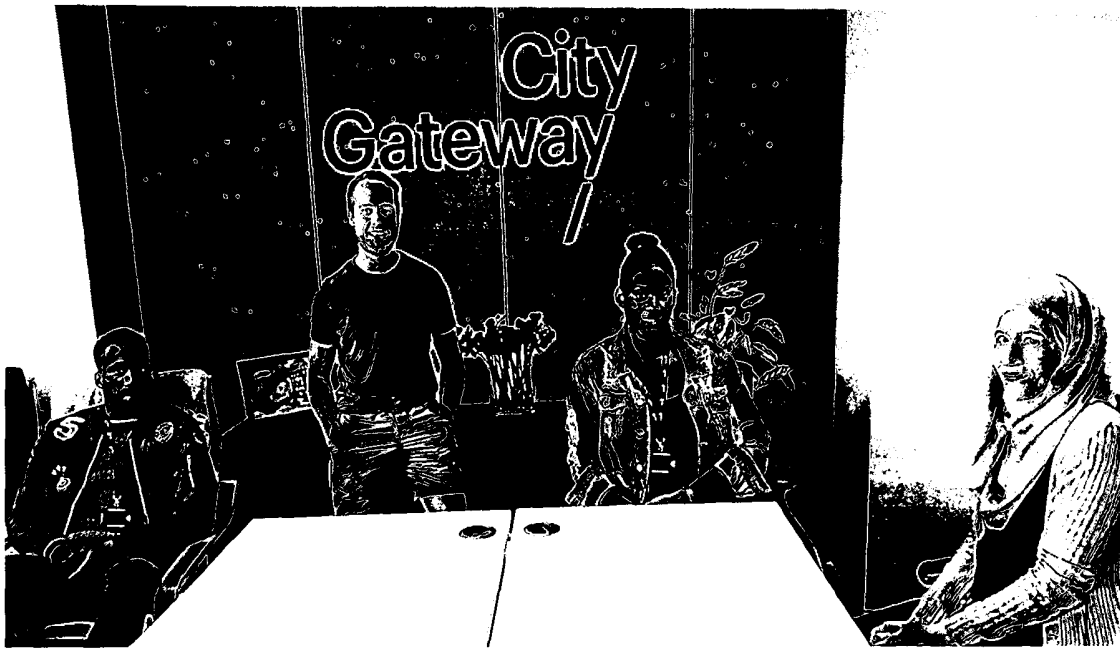
City Gateway equips you with the skillset and mind frame you need to go out into the real world and make a difference. You leave as a changed person. I can't thank City Gateway enough for this life-changing experience and will forever be grateful to them for setting me on my career path. I would definitely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

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

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

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





WHAT WE DO

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

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

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

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

ETHOS AND VALUES

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

THE NEED

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

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

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

The Resolution Foundation, Class of 2020 Report.

HOW WE DO WHAT WE DO

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

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

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

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

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

OUR IMPACT

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

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

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

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

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

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

Adetayo's story Youtube link: https://www.youtube.com/watch?v=qwzUATc0_JA



OUR PARTNERS

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

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

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



If you would like to partner with us, please contact partnership@citygateway.org.uk for more information.

BOARD GOVERNANCE

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

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

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

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

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

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

TEAM

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

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

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

ACTIVITY IN THE YEAR 2019/20

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

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

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

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

Youth Programmes

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

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

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

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

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

Women's Programmes

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

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

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

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

FUTURE IMPACT PLAN FOR THE COMING YEARS

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

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

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

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

FINANCIAL REVIEW 2019/20

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

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

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

Reserves

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

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

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

Risk management

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

Key Risks

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

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

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

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

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

ON BEHALF OF THE BOARD:



.....
Kenny Imafidon
Trustee

Date: 27.01.2021

City Gateway

Report of the independent auditor to the members of City Gateway

Opinion

We have audited the financial statements of (the 'charity') for the year ended 31 August 2020 which comprise Consolidated Statement of financial activities, the Consolidated and Charity Balance sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 August 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

City Gateway

Report of the independent auditor to the members of City Gateway

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



Nicola Wakefield (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 4 February 2021

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

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

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

The notes form part of these financial statements

City Gateway
Consolidated Balance sheet at 31 August 2020

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

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

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

Kenny Imafidon

.....
Kenny Imafidon

Trustee

City Gateway
Charity Balance sheet at 31 August 2020

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

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

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

Kenny Imafidon

 Kenny Imafidon

Trustee

City Gateway
Consolidated Statement of Cash Flows for the year ended 31 August 2020

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

1. ACCOUNTING POLICIES

Accounting convention

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

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

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

Going concern

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

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

Income

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

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

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Intangible fixed assets

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

Tangible fixed assets

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

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

Motor vehicles -5 years

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

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

Fund accounting

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

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

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

Operating leases

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

Pension scheme

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

2. VOLUNTARY INCOME

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

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

3. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

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

4. EXPENDITURE ON CHARITABLE ACTIVITIES

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

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

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

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

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

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

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

| | 2020 £ | 2019 £ |
|----------------------|-----------|-----------|
| Auditor remuneration | 14,975 | 14,100 |

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

5b. NET INCOME / (EXPENDITURE)

Net movements in funds are stated after charging:

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

6. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' Expenses

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

7. STAFF COSTS

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

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

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

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

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

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

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

8. TANGIBLE & INTANGIBLE FIXED ASSETS

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

9. FIXED ASSET INVESTMENTS

| GROUP AND CHARITY | Listed investments |
|---|---------------------------|
| | £ |
| MARKET VALUE | |
| At 1 September 2019 and at 31 August 2020 | <u>621</u> |
| NET BOOK VALUE | |
| At 31 August 2020 | 621 |
| At 31 August 2019 | <u>621</u> |

There were no investment assets outside the UK.

INVESTMENTS IN SUBSIDIARY

| | £ |
|---|----------|
| COST | |
| At 1 September 2019 and at 31 August 2020 | 100 |

9. FIXED ASSET INVESTMENTS (CONTINUED)

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

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

11a. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

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

11c. MATURITY OF LOANS

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

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

12. UNRESTRICTED FUNDS

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

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

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

13. RESTRICTED FUNDS

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

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

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

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

15. CITY GATEWAY ENTERPRISES LIMITED

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

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

16. GUARANTEE STATUS

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

City Gateway

Notes to the financial statements for the year ended 31 August 2020

17. GIFTS IN KIND

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

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

18. OPERATING LEASE COMMITMENTS

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

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

19. RELATED PARTY TRANSACTIONS

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

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

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

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

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

20. PENSION COMMITMENTS

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

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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