



REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

FOR

CITY GATEWAY

Imagine a society where
everyone reaches their full
potential.

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



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

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City Gateway

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

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

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

Registered Company number 03760619 (England and Wales)

Registered Charity number 1078360

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

TRUSTEES

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

CHIEF EXECUTIVE

Diane Betts

AUDITOR

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

BANK

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

WHY WE DO WHAT WE DO?

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

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

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

WHAT WE DO

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

We believe in empowering people to change their own future.

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

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

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

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

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

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

ETHOS AND VALUES

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

THE NEED

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

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

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

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

We are expertly equipped to meet all these challenges.

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

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

HOW WE DO WHAT WE DO

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

OUR IMPACT

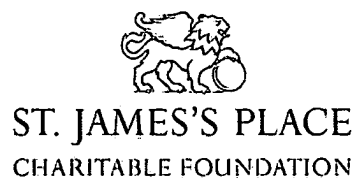
Our achievement rate last year was 76% despite the impact of Covid. Of those young people, 48% entered full time work (16+ hours) with 62 new employers. 26% of our young people progressed on to an apprenticeship with 31 new apprenticeship employers. 27% of our young people went on to Further Education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

OUR PARTNERS

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

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

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



Impetus

大成 DENTONS

J.P.Morgan



Centerbridge

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 13 April 2022. It is registered as a charity with the Charity Commission.

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

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

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

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

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

TEAM

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

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

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

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

FUTURE IMPACT PLAN FOR THE COMING YEARS

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

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

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

FINANCIAL REVIEW 2021/22

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

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

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

RESERVES

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

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

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

RISK MANAGEMENT

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

KEY RISKS

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

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

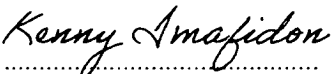
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing those financial statements, the Trustees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

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

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

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

ON BEHALF OF THE BOARD:


.....
Kenny Imafidon
Trustee

Date: 16 March 2023

City Gateway

Report of the independent auditor to the members of City Gateway

OPINION

We have audited the financial statements of City Gateway (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as 31 August 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

City Gateway

Report of the independent auditor to the members of City Gateway

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report which includes the Directors' Report

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

City Gateway

Report of the independent auditor to the members of City Gateway

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

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

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

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

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

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

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

USE OF THE AUDIT REPORT

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

Signed: N.T Wakefield
Nicola Wakefield (Apr 5, 2023 17:20 GMT+1)

Nicola Wakefield (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

Date: 05-Apr-2023

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

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

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

The notes form part of these financial statements

City Gateway
Consolidated Balance sheet at 31 August 2022

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

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

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



 Kenny Imafidon

Trustee

City Gateway
Charity Balance sheet at 31 August 2022

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

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

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



 Kenny Imafidon

Trustee

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

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

1. ACCOUNTING POLICIES

Accounting convention

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

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

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

Going concern

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

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

Income

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

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

Expenditure

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

Intangible fixed assets

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

Tangible fixed assets

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

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

Taxation

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

Fund accounting

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

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

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

Operating leases

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

Pension scheme

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

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

2. VOLUNTARY INCOME

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

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

3. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

4. EXPENDITURE ON CHARITABLE ACTIVITIES

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

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

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

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

	2022 £	2021
Auditor remuneration	13,200	16,152

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

5b. NET INCOME / (EXPENDITURE)

Net movements in funds are stated after charging:

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

6. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' Expenses

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

7. STAFF COSTS

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

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

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

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

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

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

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

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 2021	165,886	15,039	106,862	287,787	64,023
Additions	-	6,560	18,862	25,422	-
Disposals	-	-	-	-	-
At 31 August 2022	165,886	21,599	125,724	313,209	64,023
DEPRECIATION/AMORTISATION					
At 1 September 2021	49,086	14,313	47,145	110,544	43,125
Charge for the year	16,589	1,741	30,577	48,907	8,647
Released on disposal	-	-	-	-	-
At 31 August 2022	65,675	16,054	77,722	159,451	51,772
NET BOOK VALUE					
At 31 August 2022	100,211	5,545	48,002	153,758	12,251
At 31 August 2021	116,800	726	59,717	177,243	20,898

9. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

INVESTMENTS IN SUBSIDIARY

	£
COST	
At 1 September 2021 and at 31 August 2022	100

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

9. FIXED ASSET INVESTMENTS (CONTINUED)

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

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

11a. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

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

11c. MATURITY OF LOANS

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

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

12. UNRESTRICTED FUNDS

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

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

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

13. RESTRICTED FUNDS

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

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

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

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

15. CITY GATEWAY ENTERPRISES LIMITED

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

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

16. GUARANTEE STATUS

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

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

17. OPERATING LEASE COMMITMENTS

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

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

18. RELATED PARTY TRANSACTIONS

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

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

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

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

19. PENSION COMMITMENTS

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

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

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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