

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

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
For The Year Ended 31 March 2009
FOR
CITY GATEWAY



Connor Warin Limited
Chartered Accountants and Registered Auditors
Trinity House
Sewardstone Road
Waltham Abbey
Essex
EN9 1PH

CITY GATEWAY

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for the Year Ended 31 March 2009

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CITY GATEWAY

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03760619 (England and Wales)

Registered Charity number
1078360

Registered office
Montefiore Centre
Formerly Bethnal Green Training Centre
Hanbury Street
London
E1 5HZ

Trustees	
D Paterson	Chairman
S Kempson	Secretary
J Hellewell	(resigned 13 June 2008)
J Driver	Treasurer (appointed 13 June 2008)
J Gooding	
G Jones	Vice Chair

Company Secretary
W Betts

Auditors
Connor Warin Limited
Chartered Accountants and Registered Auditors
Trinity House
Sewardstone Road
Waltham Abbey
Essex
EN9 1PH

Bankers
National Westminster Bank
P O Box 282
216 Bishopsgate
London
EC2M 4QB

CITY GATEWAY

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

OBJECTIVES & ACTIVITIES

- To bring hope to the local community of Tower Hamlets, by helping to alleviate poverty & deprivation, unemployment and social exclusion, by seeking to impact and improve the quality of living for residents in the area, particularly through raising aspirations, improving skill levels, developing individual potential, and increasing their opportunities to succeed in life.
- To achieve our goals by providing progression routes through Advice & Guidance, Skills Training, Vocational Programmes, Employment Support and Social Enterprise programmes alongside Mentoring and Volunteering Opportunities;
- To have a particular focus on young people who are not in education, employment or training (the NEET group); but also on other disadvantaged groups such as black and minority ethnic (BAME) women.
- To have a holistic approach to ensure that we have a positive and lasting impact on the local area and its exciting and diverse community; working with the community, for the community.
- The strategies mainly employed to assist the charity to meet these goals include providing progression routes through Advice & Guidance, Education & Skills training, Vocational Programmes, Employment Support & Social Enterprise programmes, Mentoring and Volunteering Opportunities;

City Gateway has two distinct elements: direct beneficiary Programmes and a Social Enterprise Hub, which are vital in supporting and complementing one another.

The direct beneficiary programmes each have a specific focus on individual's progression and are designed and delivered in such a way that they feed into and complement each other, providing each client with a natural yet structured progression route within City Gateway.

These programmes include our Outreach and Engagement activities; Schools work; Short taster courses designed to motivate young people to achieve, change attitudes and get excited about positive activity and pathways for their futures; and longer Work-Based Learning and Apprenticeship programmes young people will train part-time to gain a qualification of their choice from IT, Sports Leadership, Multimedia and Creative Arts (levels 1-3) and concurrently be on a relevant part-time work-placement – either within the Enterprise Hub or in external businesses. Alongside each of these activities, trainees receive holistic one to one mentoring support to help them achieve the most from each of the programmes and to assist them into a job or higher education.

In addition, our successful Women's Project continues to run from a safe and vibrant community centre providing personal development and employment support to local women through ESOL, IT and Business Administration training, Confidence Building classes, Childcare and Health & Fitness services.

City Gateway's Social Enterprise Hub consists of 2 businesses: Gateway Media and Flavour Gateway. Each of these provide professional business services to external clients whilst also providing work opportunities and progression routes for learners on City Gateway's training programmes. In addition to these two we have a further four which sit within our hub incubator and will be reviewed next year to determine their future development.

STRUCTURE, GOVERNANCE & MANAGEMENT

GOVERNING DOCUMENT

City Gateway is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28th April 1999. It is registered as a charity with the Charity Commission. Each trustee has agreed to contribute any amount not exceeding £1 in the event of the charity winding up

APPOINTMENT OF TRUSTEES

Trustees are appointed on the basis of their individual skills and experiences, the position and need City Gateway has which they are able to fill or contribute to and by their commitment to City Gateway and its vision, ethos, aims and objectives. They are met by all existing board members who will then agree and vote on the new appointment.

CITY GATEWAY

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

TRUSTEE INDUCTION AND TRAINING

Newly appointed trustees are briefed on the company's Memorandum and Articles of Association, the current Strategic Business Plan, and given an overview of the company's recent financial performance. The functions of the committee and its decision-making processes are also explained, as are their individual roles, responsibilities and legal obligations under both charity and company law. Each trustee is given a clear role and responsibilities and is expected to attend all quarterly board meetings and the Annual General Meeting. Trustees are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

ORGANISATION

The board of trustees administers the charity and meets quarterly. Certain individuals have particular areas of expertise and therefore responsibilities such as Teaching, Legal, Finance, HR and PR. The employed Chief Executive Officer of City Gateway is appointed by the trustees to manage the day to day operations of the charity and has an agreed level of delegated authority for operational matters including vision and direction, finance, employment and performance-related activity. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

RISK MANAGEMENT

We continue to assess, review, monitor and plan for all risks which the organization may face, now or in the future. Our risk management strategy comprises a risk register of all aspects of the organization and its activities, and for each project we undertake, 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 projects and activities for potential new risks. All new projects and activities developed and run by City Gateway undergo a risk assessment before they begin. This process has heightened awareness to the potential risks faced and will assist with the development of robust contingency plans.

Overall Performance 2008-2009

City Gateway continued to deliver its mission to bring hope to Tower Hamlets, by engaging, mentoring and training those who are most excluded.

We had set ourselves the following targets for the year 2008-09:

- Increasing the volume of our services, recognising that there are many in Tower Hamlets who do not have access to good quality provision within the borough.
- Increasing the financial and other resources available for us to carry out our work.
- We will aim to work in partnership on significant projects, and to improve the quality of our services using externally verified quality standards.

Additionally there were more quantitative targets set for 2008-2009.

- To increase the volume of our services, doubling the number of courses with young people and increasing the number of women we work with from 300 to approximately 500 each month.
- To increase our income streams, and secure some medium term contracts which will enable us to carry out our work into the future; we can now project further into the future when we consider programme development.
- Take a more systematic approach to partnership work, establishing a Client Relationship Management system and actively supporting our corporate and third sector partnerships.
- To have our corporate partners increase in the year.
- To begin to consider all the factors relevant to a decision regarding our Social Enterprise Hub.

CITY GATEWAY

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

Through our business planning cycle we also set ourselves the following Critical Success Targets for a 2 year delivery period:

1. Reduction in worklessness in Tower Hamlets as a direct result of City Gateway interventions: for 2009-2010, 160 at risk young people prevented from becoming NEET, 180 young people removed from the NEET register and progresses into training and work, and 100 women accessing training or employment for the first time.
2. Growth target of £1.2million turnover for the financial year 2008-2009
3. Enterprise Hub subsidiary set up and operating at breakeven at £200k
4. Achieve ISO 9001 and Investors in People quality standard ready for external audit
5. Two significant new projects in Tower Hamlets with 2 partners with a combined value of £600k funding secured
6. All managers trained in staff management, project management, financial management, risk management, and identification of leadership styles.

Further reports on City Gateway's performance are available in our annual reports, and in other reports which may appear from time to time on our website.

PUBLIC BENEFIT STATEMENT

City Gateway has always and will continue to take its responsibilities of ensuring that its charitable activities contribute a great deal to the lives of those within the London Borough of Tower Hamlets and specifically within the local areas in which those activities are undertaken. With reference to Charities Act 2006, all our charitable activities are directed towards having a lifelong impact on the local areas and these activities are undertaken to further our charitable purposes for the public benefit. The examples below are a testament of our commitment of the public benefit requirement.

Training & Employment Team:

Over the period of April 2008 to March 2009 we have seen a huge amount of growth in the Training and Employment Department. We have offered Engage, Engage Plus, Export and Export Plus courses to the young people of Tower Hamlets. We have worked with 128 young people on Engage programmes seeing 82% reach level 1 accreditations. On the Export course we worked with 147 trainees and saw 89% complete with level 2 qualifications. We delivered x9 Export programmes in this period, in IT, Multi-media, Sports and Customer Service, the latter launched for the first time in partnership with HSS tool hire. During this period we offered 364 places across all our provision and worked with up to 100 young people at any one time. This has been a thrilling if exhausting period. We have also looked to improve quality over this year ensuring that there are better policies and procedures for the training and progression delivered. This too has seen our retention of trainees average at 85-90% throughout the programmes, a very high statistic for working with NEET individuals.

A case study of George Brace outlines the work we have achieved in 2008-09. George, dropped out of college and was disengaged, due to caring for ill family members. We engaged him, providing IAG support and assessment in order to enable him to come on to a more structured training. We worked with him building his confidence and improving his attitude on Engage courses offering him packaged sessions in areas of his personal interest. George recently graduated a level 2 Export programme. This was hosted by Denton Wilde Sapte Law Firm, where George said "City Gateway gave me a chance and I'm gona grab it with both hands". George is preparing to go into work. We have arranged an interview lined up in Canary Warf. We are really proud of George and all that he has accomplished, flourishing through being given an opportunity to grow in confidence and re-engage with society.

In May 2008 we launched LSC funded Apprenticeships in Sport Fitness and in October we spread into IT Apprenticeships too. These have enabled our young people to progress into employment with a helping hand from City Gateway. The trainee will be linked up with a placement at an employer and will work there for 2-4 days per week, being with us for 1 day per week. Another worthy case study comes from Joshua Silverman who came to City Gateway with a broken leg, which was due to be amputated. He pleaded with us to come on an Apprenticeship. We brought him through the Export and Apprenticeship programmes and managed to place him in Canary Warf at Reebok Gym, the largest inner city gym in the UK. He progressed well and they offered him an extension to his placement. Following this he was awarded full time employment at Reebok Gym. Josh said "It's good. I like it here and through City Gateway, I overcame what held me back to do well".

To set up and establish Apprenticeships was a demanding but we anticipate fruitful piece of work and has meant we have had to crank up improvement in efficiency. Over the period of Spring 2009 we will double the size of the department from 10 staff to 20 workers. This will enable us to dedicate a Tutor and Retention Worker to each cohort improving quality, increase capacity for delivery as well as improving our ability to progress trainees from our courses into Apprenticeship placements and future employment. A really exciting year and a lot more to come!

CITY GATEWAY

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

City Gateway Youth Work:

There have been big shifts and changes for the youth work team in the past year as the Outreach and Engagement team has further adapted to its role running Limehouse Youth Centre. As the CG Bus has also had to be retired this year there has been a strong shift from work out on estates to centre based sessions in line with targets from LBTH.

Over the course of the year to 31st March 2009 we had contact with 627 different young people and had 267 of them participate in structured sessions at the centre; 131 received an accredited outcome.

The centre is now open 6 days a week offering a range of open youth work sessions, focused activities, individual support sessions as well as increased volunteering opportunities for young people. In the past year we have also been developing a joined up approach to our youth services through our Key Stage 4 schools programme, through a focus on supporting young people into training and by helping those on our training programmes develop their own personal and social skills.

The focus has been to improve the quality of what we offer by bringing on board more qualified staff to take the lead in each session we run. We have had a major focus on youth participation developing our hear by right plan, increasing young people's say in the running of LYC, as well as recently securing funding to develop a youth ambassadors programme. We have met all our targets with LBTH both within our main contracts as well as with PAYP and YOF and have been building up strong relationships with other youth providers in the area.

A key achievement over the year has been the work undertaken to ensure positive community relationships between our two main stakeholder groups, ensuring that LYC is accessed by young people from every ethnic background, as well as increasing our work with young women.

City Gateway Women's Project

It really is true what City Gateway says, It really does bring 'hope'. It has brought Hope to me. Moshoda Khatun, CGWP Outreach Worker

'With the large amounts of women coming in everyday, staff still have the time for each and every individual and that's special' New Admin Volunteer

This year has been a period of rapid growth and change for CGWP. As a team we have endeavoured to balance a response to the constant flow of women seeking to register at the centre, against the need to put energy and resources into the development of structures that will strengthen the framework of the Women's Project. The challenge has been to manage waiting lists, building in new projects to bring growth and sustainability and to effectively manage planning and paperwork.

Lansbury Lodge continues to be a vibrant and welcoming environment with each month bringing new courses and activities for women to engage in. This year has seen the introduction of Gardening Projects, Admin courses and public speaking among others, as well as an expansion in our ESOL, Keep fit and ICT delivery. There have been over 800 women registered in our centre, so we have shifted our focus from outreach to participation. New clients continue to come due to word of mouth from friends and family members who have had a good experience, as well as partners who are keen to refer their clients on to us to gain confidence and skills. The project has continued to bring together a diverse cultural mix, with many classes having over 4-6 ethnic groups. Many women are engaging with women from other communities for the first time.

Lansbury Lodge has undergone a visual transformation over the past year. With new floors, painted walls, blinds, curtains made by the women, and installed whiteboards as well as Vegetables in the Garden and picnic tables, the centre has become a fresh and professional community space. This refurb was enabled through or corporate partnerships as well as money raised through hosting courses and recruiting for local partners.

One of the key indicators of our success is the number of women who seek to come back to the centre after completing courses to volunteer. It is this peer support that has been inspirational and motivating for new clients, and boosts confidence and communicational skills for the volunteers. These women do not get paid, but wish to become a part of the project which is making such a difference in their community.

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REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

Social Enterprise Hub

City Gateway's social enterprise hub is a group of small enterprises with social outputs which meet our charitable objectives and at the same time aim to actively generate income from sales rather than relying on donations or traditional fundraising. As well as providing training and employment for local residents any surplus they make helps fund City Gateway's wider work.

Gateway Media Business Development Programme – In September 2008 we ran a customised Consultative Sales Training programme which has boosted the capabilities of the Gateway Media team. We also employed a business development consultant to develop a strategy and resources for a construction sector push where we already had some small successes. Together these have led to major success developing a niche in the construction sector. We have now scheduled regular sales campaigns throughout the year targeting various audiences for lead generation and development.

Our offer has developed over that time also having employed a part time creative director from the digital media industry with specific skills in video production allowing us to sell new services to existing as well as new clients. We continued to deliver on our social outputs with Media Work Placements for City Gateway trainees. A number of volunteers have supported us including a branding consultant. One volunteer went on to fill the vacancy as our lead designer when that member of staff moved on. We employed two media apprentices one of whom has stayed on with plans to offer him a full time contract. The capacity of the team has been increased through training and skills development in Video Production, Project Management and Time Management.

An aggressive revenue and margin target has been set for the next financial year.

Enterprise Hub Incubator

The incubator was launched in September 2008 with the appointment of a business manager. As a result we were able to run a Business Start-up Course at CGWP which resulted in the decision to start a catering enterprise and coincided with the opportunity to bid for seed funding from the Bromley by Bow Centre. The ladies from CGWP were involved in producing a business plan including market research, offer definition, competitive analysis, promotional strategy, pricing, branding and the presentation to a dragon's den style panel of investors which resulted in our selection for funding. Flavour Gateway currently employs four members of staff plus many trainees who are developing a wide range of skills in catering and business management.

Flavour Gateway was officially launched at the City Gateway 10th anniversary celebration at the East Winter Gardens in Canary Wharf in March 2009 and was a resounding success catering for over 500 attendees plus engaging an army of volunteers from HSS.

As a result of our success, we have not been able to cope with demand and had to quickly put together a structured training and apprenticeship programme to allow us to develop extra resources. This non-accredited programme has been successful and is now being considered for upgrade to an accredited City & Guilds Hospitality & Catering scheme. We are also set to launch a community café at Lansbury Lodge with funding secured from Well London.

Other incubator activity including Gateway Motion

A business development programme was started for Gateway Motion in December 2008 which has engaged one of our brightest apprentices in the putting together a new offer and performing the market research, offer definition, competitive analysis, offer pricing and promotional strategy. This is expected to be implemented later in 2009 as a means of creating work placements and apprentice places for trainees on the City Gateway Sports Fitness apprenticeship programme. This process has led to the likelihood of a new successor enterprise with similar market aims to be developed. Green-screen, Creative me and The Bus are also in this re-evaluation stage within the incubator, to decide on future developments.

CITY GATEWAY

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

FUTURE PLANS

In 2009-2010 City Gateway will continue to aim to deliver its mission to bring hope to Tower Hamlets, by engaging, mentoring and training those who are most excluded. We will look to increase the volume of our services, recognising that there are many in Tower Hamlets who do not have access to good quality provision within the borough. We will aim to increase the financial and other resources available for us to carry out our work. We will aim to work in partnership on significant projects, and to improve the quality of our services using externally verified quality standards. We will also aim to set up our Social Enterprise Hub as a separate trading company to help us deliver our charitable objectives. The Board of Trustees have refreshed and restated City Gateway's commitment to our mission and vision, and have set the following Critical Success Targets which will guide the business planning of City Gateway to March 2010:

1. Reduction in worklessness in Tower Hamlets as a direct result of City Gateway interventions: for 2009-2010, 160 at risk young people prevented from becoming NEET, 180 young people removed from the NEET register and progressed into training and work, and 100 women accessing training or employment for the first time
2. Growth target of £1.6million turnover for the financial year 2009-2010
3. Enterprise Hub set up and operating at breakeven at £300k
4. Achieve a range of quality standards ready for external audit
5. 4 significant new projects in Tower Hamlets with 2 partners with combined value of £1m funding secured
6. All managers trained in staff management, project management, financial management, risk management, and identification of leadership styles.

City Gateway will aim to work actively in partnership with London Borough of Tower Hamlets and other statutory and corporate partners to deliver these objectives. We will engage actively with central and local government where there is congruence in policy initiatives and City Gateway's aims.

FINANCIAL REVIEW

The accounts contained in this report have been presented in accordance with the Statement of Recommended Practice: Accounting for Charities (SORP, 2005) with relevant companies and charities legislations and regulations.

The Statement of Financial Activities shows CG's gross income from all sources and how this income was expended and the split activity between restricted and unrestricted funds.

HIGHLIGHTS

- **Income: £1,235,377**
- **Charitable expenditure - £1,120,110**

The year to March 2009 was a successful one for City Gateway as we continued in our strength of attracting various pots of funding for our projects and activities whilst ensuring tighter controls over expenditure. Although we had a proportionate increase in resources expended from £946,607 to £1,127,043 we managed to cap expenditure to income. This was significant as a result of improvements made in the reporting systems of City Gateway, as Project managers had greater access to information about the financial performance of projects. This indeed created an awareness to ensure that every expenditure was within budget, had been approved and was authorised. Senior management were also provided with a monthly budget tracking reports which give them better understanding of tracking the budgets of the various projects and activities; feedback from Project Managers and Senior Management proved helpful in ensuring that the controls for expenditure were tightened.

During the year under review City Gateway also felt the effects of the global economic crisis. A few corporate bodies and businesses who had lined up support for our activities and programs had to withdraw or be abandoned. The value of our donated investments (shares) which hitherto has been a source of other income fell drastically from £7,185 to £583.

RESERVES POLICY

City Gateway is committed to using its resources in pursuit of its charitable activities. It is also committed, however to maintaining a level of reserves that is prudent to meet its ongoing liabilities, sufficient to ensure that all service delivery commitments can be met and to protect the long term future of our operations. The establishment and generation of this fund is in line with the Operational guidance No 43 (Charity Income Reserves) issued by the Charity Commission which seek to guarantee financial security and ensure a level of reserves within its operations.

CITY GATEWAY

REPORT OF THE TRUSTEES **for the Year Ended 31 March 2009**

This policy is set in place to build up our Reserve Fund to contain enough funds for at least three months of future expenditure but ideally 6 months. This would give security to the organization and its activities in the event of the delayed release of agreed funds, particularly from government contracts, or through a dry period of fundraising or enterprise sales. It would be a pool of money to draw from to enable activities to continue its operations.

The charity's free reserves at 31st March 2009 were £433,034 (2008: £349,561). For City Gateway this represents approximately four and a half months of total resources expended in 2009, (factoring in any change that might occur)

This policy would be continuously and periodically reviewed so as to ensure that our targets match our needs, especially as we grow as an organization.

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 incoming resources and application of resources, including 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 1985. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Connor Warin Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Trustee

Date:

27/07/10

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CITY GATEWAY

We have audited the financial statements of City Gateway for the year ended 31 March 2009 on pages eleven to nineteen. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Report of the Trustees is consistent with the financial statements.

We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CITY GATEWAY**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Connor Warin Ltd

Connor Warin Limited
Chartered Accountants and Registered Auditors
Trinity House
Sewardstone Road
Waltham Abbey
Essex
EN9 1PH

Date: *29th JAN 2010*

CITY GATEWAY**STATEMENT OF FINANCIAL ACTIVITIES**
for the Year Ended 31 March 2009

		Unrestricted funds £	Restricted funds £	31.3.09 Total funds £	31.3.08 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	72,797	1,500	74,297	80,444
Activities for generating funds	3	2,320	-	2,320	2,411
Investment income	4	1,636	-	1,636	3,253
Incoming resources from charitable activities					
Charitable Activities	5	<u>681,490</u>	<u>475,634</u>	<u>1,157,124</u>	<u>1,015,702</u>
Total incoming resources		758,243	477,134	1,235,377	1,101,810
RESOURCES EXPENDED					
Charitable activities					
Charitable Activities	6	661,215	458,895	1,120,110	940,607
Governance costs					
	7	<u>6,933</u>	<u>-</u>	<u>6,933</u>	<u>6,000</u>
Total resources expended		668,148	458,895	1,127,043	946,607
NET INCOMING RESOURCES					
		90,095	18,239	108,334	155,203
Other recognised gains/losses					
Gains/losses on investment assets		<u>(6,622)</u>	<u>-</u>	<u>(6,622)</u>	<u>(6,248)</u>
Net movement in funds		83,473	18,239	101,712	148,955
RECONCILIATION OF FUNDS					
Total funds brought forward		349,561	-	349,561	200,606
TOTAL FUNDS CARRIED FORWARD		<u>433,034</u>	<u>18,239</u>	<u>451,273</u>	<u>349,561</u>

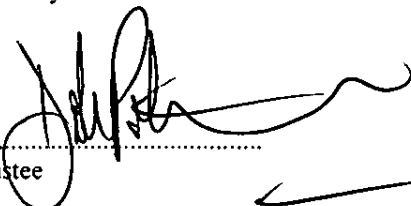
The notes form part of these financial statements

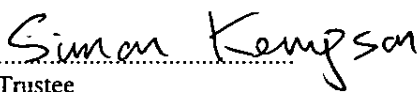
CITY GATEWAY**BALANCE SHEET****At 31 March 2009**

	Notes	Unrestricted funds £	Restricted Funds £	31.3.09 Total funds £	31.3.08 Total funds £
FIXED ASSETS					
Tangible assets	11	3,249	4,404	7,653	4,833
Investments	12	<u>563</u>	<u>-</u>	<u>563</u>	<u>7,185</u>
		3,812	4,404	8,216	12,018
CURRENT ASSETS					
Debtors: amounts falling due within one year	13	193,949	13,835	207,784	268,930
Cash at bank and in hand		<u>264,018</u>	<u>-</u>	<u>264,018</u>	<u>99,550</u>
		457,967	13,835	471,802	368,480
CREDITORS					
Amounts falling due within one year	14	<u>(28,745)</u>	<u>-</u>	<u>(28,745)</u>	<u>(30,937)</u>
NET CURRENT ASSETS		<u>429,222</u>	<u>13,835</u>	<u>443,057</u>	<u>337,543</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>433,034</u>	<u>18,239</u>	<u>451,273</u>	<u>349,561</u>
NET ASSETS		<u>433,034</u>	<u>18,239</u>	<u>451,273</u>	<u>349,561</u>
FUNDS	15				
Unrestricted funds				433,034	349,561
Restricted funds				<u>18,239</u>	<u>-</u>
TOTAL FUNDS				<u>451,273</u>	<u>349,561</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 27/01/2010 and were signed on its behalf by:


Trustee


Trustee

The notes form part of these financial statements

CITY GATEWAY

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31 March 2009**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

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

Resources expended

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.

Tangible fixed assets

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

Fixtures and fittings	-25% on reducing balance
Computer equipment	-33% on reducing balance

Individual items costing under £1,000 are written off on purchase.

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.

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.

Hire purchase and leasing commitments

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

CITY GATEWAY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2009**2. VOLUNTARY INCOME**

	31.3.09	31.3.08
	£	£
ABN Amro	-	15,000
Barclays Bank Community Programme	750	-
Berry Lace Mawer	1,250	-
Canary Wharf Group	1,500	-
Chaucher Syndicates	2,388	-
Christ Church Spitalfields	2,000	-
Compass Point Trust	-	8,000
DB Group Services	-	1,000
Denton Wilde Sapte (DWS)	11,000	-
Deutsche Bank	1,000	-
Lansons plc	-	15,176
Lehman Brothers	1,500	-
Norton Rose Foundation	-	2,500
Vision Charity	1,346	-
WS Atkins Ltd	10,000	-
Other income	<u>41,563</u>	<u>38,768</u>
	<u>74,297</u>	<u>80,444</u>

3. ACTIVITIES FOR GENERATING FUNDS

	31.3.09	31.3.08
	£	£
Training and room hire	<u>2,320</u>	<u>2,411</u>

4. INVESTMENT INCOME

	31.3.09	31.3.08
	£	£
Deposit account interest	<u>1,636</u>	<u>3,253</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	31.3.09	31.3.08
		£	£
Social Enterprises	Charitable Activities	49,170	51,604
Statutory Contracts and Grants	Charitable Activities	<u>1,107,954</u>	<u>964,098</u>
		<u>1,157,124</u>	<u>1,015,702</u>

CITY GATEWAY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2009**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (Cont)**

Grants received, included in the above, are as follows:

	31.3.09 £	31.3.08 £
STATUTORY CONTRACTS		
CSP (Leaside Regeneration)	29,667	32,801
ERDF	-	73,175
KS4 Engagement Programme (LBTH)	34,652	-
LBTH Youth Contract LYC (Poplar Harca)	35,000	-
LDA (Prince's Trust)	44,200	-
LIG (ELATT)	5,141	12,852
LIG4 (Central Training Group)	41,499	-
London Development Agency (LLWP)	161,212	331,096
LSC Apprenticeships (Central Training Group)	8,066	-
LSC/ESF (SO2)	65,715	-
LSC/ESF (SO3)	127,750	-
LSC/ESF (SO5)	88,314	-
LSC/ESF (Pecan)	52,320	-
LSC Leapp Project (Chelmer Training)	3,645	28,678
LSC Lever Project (Landmark Training)	54,906	110,410
LSC School Project (Rathbone Training)	-	58,160
LSC SGVS (LBTH)	93,500	55,400
NRF YIP (LBTH)	-	9,714
Ocean NDC	-	63,257
PAYP (LBTH)	9,000	-
PCT (Obesity Project)	14,500	-
WNF Door Knocking (LBTH)	25,000	45,500
WNF (Leaside Regeneration)	37,881	-
WNF NEET (LBTH)	65,000	58,000
Youth Opportunity Fund (LBTH)	3,500	18,514
GRANTS		
City Parochial	20,000	10,000
Deutsche Bank	-	49,522
Jack Petchy	30,000	-
Un Ltd	-	2,700
Well London Delivery Team (LSX/PCT)	19,377	-
Well London Projects (LSX)	10,185	-
Other grants	62,176	4,319
	<u>1,107,954</u>	<u>964,098</u>

CITY GATEWAY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **for the Year Ended 31 March 2009**

6. CHARITABLE ACTIVITIES COSTS

	31.03.09	31.03.08
	£	£
Wages	779,345	669,155
Other operating leases	55,572	23,066
Insurance	5,016	2,290
Telephone	6,200	4,532
Sundries	15,491	5,217
External training charges	51,331	55,254
External project costs	18,389	40,734
Computer equipment	15,626	3,881
Trainee allowances	41,978	41,821
Course expenses	80,035	74,716
Other training costs	4,681	2,679
Training & associated costs	22,396	1,340
Office costs	20,045	9,818
Payroll charges	953	869
Consultancy fees	-	2,873
Fixtures and fittings depreciation	29	40
Motor vehicles depreciation	1,468	-
Computer equipment depreciation	1,555	2,322
	<u>1,120,110</u>	<u>940,607</u>

7. GOVERNANCE COSTS

	31.3.09	31.3.08
	£	£
Auditors' remuneration	<u>6,933</u>	<u>6,000</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.09	31.3.08
	£	£
Auditors' remuneration	6,933	6,000
Depreciation - owned assets	3,052	2,362
Other operating leases	<u>55,572</u>	<u>23,066</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2009 nor for the year ended 31 March 2008.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2009 nor for the year ended 31 March 2008.

CITY GATEWAY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2009**10. STAFF COSTS**

	31.3.09	31.3.08
	£	£
Wages and salaries	715,174	611,544
Social security	<u>64,171</u>	<u>57,611</u>
	<u>779,345</u>	<u>669,155</u>

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

31.3.09	31.3.08
<u>30</u>	<u>28</u>

No employee earned more than £60,000 p.a.

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2008	1,212	-	33,968	35,180
Additions	<u>-</u>	<u>5,872</u>	<u>-</u>	<u>5,872</u>
At 31 March 2009	<u>1,212</u>	<u>5,872</u>	<u>33,968</u>	<u>41,052</u>
DEPRECIATION				
At 1 April 2008	1,093	-	29,254	30,347
Charge for year	<u>29</u>	<u>1,468</u>	<u>1,555</u>	<u>3,052</u>
At 31 March 2009	<u>1,122</u>	<u>1,468</u>	<u>30,809</u>	<u>33,399</u>
NET BOOK VALUE				
At 31 March 2009	<u>90</u>	<u>4,404</u>	<u>3,159</u>	<u>7,653</u>
At 31 March 2008	<u>119</u>	<u>-</u>	<u>4,714</u>	<u>4,833</u>

CITY GATEWAY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 March 2009**12. FIXED ASSET INVESTMENTS**

	Listed investments £
MARKET VALUE	
At 1 April 2008	7,185
Revaluations	<u>(6,622)</u>
At 31 March 2009	<u>563</u>
 NET BOOK VALUE	
At 31 March 2009	<u>563</u>
At 31 March 2008	<u>7,185</u>

There were no investment assets outside the UK.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.09 £	31.3.08 £
Debtors	181,109	268,180
VAT	-	66
Other debtors	<u>26,675</u>	<u>684</u>
	<u>207,784</u>	<u>268,930</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.09 £	31.3.08 £
Trade creditors	4,822	13,562
VAT	1,600	-
Other creditors	4,000	-
Accruals and deferred income	<u>18,323</u>	<u>17,375</u>
	<u>28,745</u>	<u>30,937</u>

15. MOVEMENT IN FUNDS

	At 1.4.08 £	Net movement in funds £	At 31.3.09 £
Unrestricted funds			
General fund	349,561	83,473	433,043
Restricted funds			
Bromley by Bow	-	12,795	12,795
Well London – Community Cafe	-	<u>5,445</u>	<u>5,445</u>
TOTAL FUNDS	<u>349,561</u>	<u>101,712</u>	<u>451,273</u>

CITY GATEWAY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **for the Year Ended 31 March 2009**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	758,243	(668,148)	(6,622)	83,473
Restricted funds				
Around Poplar Children's Centre	2,660	(2,660)	-	-
Bromley By Bow	16,574	(3,780)	-	12,794
Canary Wharf Group	1,500	(1,500)	-	-
City Parochial	20,000	(20,000)	-	-
CSP (Leaside Regeneration)	29,667	(29,667)	-	-
Jack Petchy	30,000	(30,000)	-	-
London Development Agency (LLWP)	161,212	(161,212)	-	-
London Skills Partnership	1,530	(1,530)	-	-
LIG4 (Central Training Group)	7,247	(7,247)	-	-
LBTH Youth Contract LYC (Poplar Harca)	35,000	(35,000)	-	-
LIG (ELATT)	5,141	(5,141)	-	-
PAYP (LBTH)	9,000	(9,000)	-	-
PCT (Obesity Project)	14,500	(14,500)	-	-
Tower Hamlet College	2,160	(2,160)	-	-
Team England Football Charity	5,000	(5,000)	-	-
WNF NEET (LBTH)	65,000	(65,000)	-	-
WNF (Leaside Regeneration)	37,881	(37,881)	-	-
Well London – Be Creative Be Well	3,000	(3,000)	-	-
- Physical Activities	1,125	(1,125)	-	-
- Community Café	5,460	(15)	-	5,445
- Food Feast	600	(600)	-	-
WellLondon Delivery Team (LSX/PCT)	19,377	(19,377)	-	-
Youth Opportunity Fund (LBTH)	3,500	(3,500)	-	-
TOTAL FUNDS	<u>1,235,377</u>	<u>(1,127,043)</u>	<u>(6,622)</u>	<u>101,712</u>

16. GUARANTEE STATUS

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

17. INTANGIBLE INCOME

During the year the charity received services in kind from corporate supporters. These have not been included in the financial statements because the trustees have not been able to assess what the value of the gifts amount to.

Canary Wharf Group provided the use of their venue, East Winter Garden, to host City Gateway's 10th Anniversary event.

CITY GATEWAY**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
for the Year Ended 31 March 2009

	31.3.09 £	31.3.08 £
INCOMING RESOURCES		
Voluntary income		
Donations	74,298	80,444
	74,298	80,444
Activities for generating funds		
Training and room hire	2,319	2,411
Investment income		
Deposit account interest	1,636	3,253
Incoming resources from charitable activities		
Social Enterprises	49,170	51,604
Statutory contracts and grants	1,107,954	964,098
	1,157,124	1,015,702
Total incoming resources	1,235,377	1,101,810
RESOURCES EXPENDED		
Charitable activities		
Wages	779,345	669,155
Other operating leases	55,572	23,066
Insurance	5,016	2,290
Telephone	6,200	4,532
Sundries	15,491	5,217
External training charges	51,331	55,254
External project costs	18,389	40,734
Computer equipment	15,626	3,881
Trainee allowances	41,978	41,821
Course expenses	80,035	74,716
Other training costs	4,681	2,679
Training & associated costs	22,396	1,340
Office costs	20,045	9,818
Payroll charges	953	869
Consultancy fees	-	2,873
Fixtures and fittings depreciation	29	40
Motor vehicles depreciation	1,468	-
Computer equipment depreciation	1,555	2,322
	1,120,110	940,607
Governance costs		
Auditors' remuneration	6,933	6,000
Total resources expended	1,127,043	946,607
Net income before gains and losses	108,334	155,203

This page does not form part of the statutory financial statements

CITY GATEWAY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 March 2009

	31.3.09 £	31.3.08 £
Realised recognised gains and losses		
Realised gains/(losses) on programme related investments	(6,622)	(6,248)
	<hr/>	<hr/>
Net income	<u>101,712</u>	<u>148,955</u>