

**Charity Registration No. 1090915**

**Company Registration No. 4118613 (England and Wales)**

**GATE TRUST LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# GATE TRUST LIMITED

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# **GATE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)".

#### **Objectives and activities**

The summary of activities below demonstrates how the charity gives public benefit. The charity's website explains the work of the Charity and has further information. Below are the charity's aims; details of the issues it seeks to tackle; the changes and differences it seeks to make through its activities; and the strategies employed to achieve the charity's arts and community objectives for the public benefit and to further its legal purposes.

The objects of the charity, as set out in the Memorandum and Articles of Association, are:

- The provision of, or assistance in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation, either for the benefit of the general public or for the benefit of those who by reason of their youth, age, infirmity or disablement, ethnicity, poverty or social and economic circumstances, have a need of such facilities.
- The advancement of education of the public and the promotion of the arts, in particular, but not exclusively, by the training of performers and the giving of public performances.

#### **The Arts and Community Centre**

The arts function in Gate Trust includes the classes, gigs, concerts, drama, dance and music events and the gallery.

The strategies employed to achieve the charity's arts and community objectives for the public benefit have been to, although these have been very restricted by the pandemic:

- Offer opportunities for a broad range of people to get involved in arts activity, exploring and developing their own creative powers.
- Provide facilities for professional and amateur artists to develop.
- Provision of facilities and activities for members of the community generally, to increase social capital and personal development.
- Make all these facilities and services available to all, particularly the young, the elderly, the multi-ethnic local residents, and to the economically inactive. All facilities are accessible to those with disabilities, and the rates charged for activities are low compared with other city arts centres, and some community activities are provided entirely free.

During the year, Gate Trust has been more limited by the pandemic in providing a programme of:

- Classes, courses and workshops which span the breadth of the arts, aimed at various levels of ability.
- Events including drama, musical theatre, dance, jazz and classical music.
- Exhibitions in the gallery space which includes community, amateur and professional artists.
- Theatre and studio space for hire to the local community members and organisations seeking to use it.
- Opportunities for people to gain experience and confidence and to develop in a supportive environment.
- Cafe and creative activities for local elderly residents.
- Special film nights for the community.

In addition, there is a fully licensed café bar which has been very limited, as well as servicing the Arts Centre, also hosts a range of creative events and workshops, but again very limited with the pandemic.

# **GATE TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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### **Ensuring our work delivers Gate Trust's aims, for the public benefit**

The trustees are aware of their duty to run the charity for the public benefit, and are aware of the Charity Commission's guidance on public benefit. Much in this report demonstrates the way Gate Trust delivers benefit to the public, in keeping with our charitable objects.

As a charity, we review our aims, objectives and activities at every meeting. In the review process, we look at what we have achieved in the last term, the success of each project, and the benefits that they have brought to the groups of people they were set up to help. The review also helps to ensure our aims, objectives and future projects continue to be in line with our stated purposes of existence, and cognizant of the guidance contained in the Charity Commission's general guidance on public benefit.

### **Achievements and performance**

The period up to March 2021 was a successful one. Some significant investment and upgrades were made into the venue and arts programme, including using the new ticketing platform and improved technology in the Theatre space. The team, with more resources allocated to the café bar, continued to work on events promotion and fundraising.

The relationship with the two main hire users of the venue, the university (UWTSD) and Vineyard church, remained strong. UWTSD began Year 2 of a new 3-year service agreement in Sept 2020. The relationship with Arts Council Wales also continued to improve.

Towards the end of March 2021, the venue had to postpone further events due to the Covid-19 outbreak and by the end of the month, the staff team continued to work from home as all but Mailbox activity was paused.

### **Financial review**

#### **Results**

The charity generated an unrestricted surplus during the year of £104,903 (2020: deficit of £19,210).

The Heritage Lottery Fund originally provided the charity with substantial capital funds (£1.54 million) to enable the building in which the charity operates to be refurbished. The terms governing this arrangement are set out in a contract dated 19 June 2002 made between the trustees of the National Heritage Memorial Fund and Gate Trust.

In a letter from the Director of the National Lottery Heritage Fund, Wales dated 16 August 2019, it acknowledged that throughout the project and since its completion, Gate Trust and Glenwood Church have clearly contributed a very substantial amount of cash and in-kind resources to the project and it confirmed that HLF would waive any claw-back.

#### **Finances**

The overall financial picture has improved but with challenges remaining:

- Loans from Woodlands Church have been repaid.
- Cashflow has improved throughout the year.

# **GATE TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Reserves Policy**

The directors have established a policy whereby the unrestricted funds, not committed or invested in tangible fixed assets (the "free reserves") held by the charity, will be used to provide facilities for training and performance in the arts for the local community. The aim is to create a fund sufficient to support operations for a period of 6 months.

Unrestricted fund balances carried forward at the year-end were £543,320 (2020: £438,417). Restricted fund balances carried forward at the year-end were £30,838 (2020: £nil). Free reserves totalled £102,862 (2020: negative £17,034).

The trust has applied for Covid emergency grants and continues to closely monitor the trading performance of the charity in the light of very challenging times for the charity sector. They recognise the need to increase income and control costs and have therefore taken steps to secure the long-term financial position of the charity. These steps include working closely with other charities, sharing resources, appointing staff to focus on the delivery of income from hires, and reviewing monthly budgets. For this reason, the trustees have used the going concern basis in preparing these accounts. Post examination, the reserves have significantly improved showing Net Current Assets of £149,809 in the management accounts to September 2021.

#### **Investment Policy**

The directors have considered that cash funds should be deposited in low risk deposits and are included as current assets (cash at bank).

#### **Principal Risks and Uncertainties**

##### **1. The continuing risk to operations of The Gate in the light of Covid-19**

Reducing this risk by full and rigorous Covid Risk assessments and cleaning and safety procedures and following to all relevant government guidance.

##### **2. The Covid-19 disruption risk to the future financial sustainability of The Gate as a Community Arts Centre**

Reducing this risk by very carefully managing all costs and staffing levels and applying for all available suitable Emergency Grants for Job Retention, safety, sustainability and stability.

##### **3. The risks to operations and future sustainability from future pandemics**

From the Covid-19 experience, build in continuing suitable protocols for the future e.g. improved entrance and exit procedures, etc. Also, following recent legal cases, explore stronger pandemic insurance cover for the future.

##### **4. Constant cash flow challenge**

Trustees are seeking to mitigate this risk through arranging appropriate financial facilities.

##### **5. The potential loss of any of the major users**

Trustees are seeking to mitigate this risk through strengthening existing user relations and exploring new users.

##### **6. Significant breakdown of plant or equipment**

Trustees are seeking to mitigate this risk through regular maintenance and upgrading of plant and equipment.

# **GATE TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **7. Looking forward**

Trustees are seeking to improve financial performance with a thorough review of all activities, events and staffing and through developing The Gate as a sustainable Community Arts Centre with a community at its hub.

#### **Plans for future periods**

Over the coming year (April 2021 – March 2022), we are reviewing staffing levels ready for reopening the Gate for TSD, Vineyard and Mail Box, but delaying community arts activities until later. It is hoped to relaunch these activities in 2022 and to continue to develop The Gate as a sustainable Community Arts Centre with a community at its hub. The aim is to continue work in the fields of arts and community engagement and to demonstrate that Gate Trust can be financially sustainable, even in this financially challenging climate.

#### **Overall vision for the staff to work towards:**

To see The Gate fully reopened, and into 2022 to see it thriving as a community-facing arts venue characterised by and known for its welcoming hospitality and a place where people can enjoy the arts and discover their own creativity.

We are looking to see more "Arts for ALL" by:

1. With the challenges of Covid-19, it is hoped to develop a digital plan and keep developing a community at the hub of The Gate with a vision for reaching the surrounding communities and providing practical support for the Arts Centre.
2. Continuing to provide a wide range of "Arts for All" from opportunities for arts experience for the neediest disadvantaged child from the local urban priority areas, through to engagement with the University of Wales full time performing arts courses at The Gate.
3. In 2022 increasing the number of bookings to generate the necessary surpluses for sustainability.
4. Continuing to apply for grant funding to develop The Gate as a sustainable Community Arts Centre.
5. Developing further efficient operations, marketing and fundraising.
6. Reducing overheads further and avoiding bookings with limited surplus.
7. Continuing to provide opportunities for volunteers within The Gate Arts Centre,
8. In 2022 to increasing the number of evening groups using the café bar.
9. Exploring further ways of developing the arts at The Gate.
10. In 2021, developing more expressions of 'communities of interest' centred on The Gate, based on interest in the arts, humanities, local communities or faith-based.

#### **Structure, governance and management**

##### **Governing Document**

The charity is a charitable company limited by guarantee, incorporated on 1 December 2000 and registered as a charity on 4 March 2002. The charity is governed by its Memorandum and Articles of Association.

##### **Trading Names**

The trust operates under a number of trading names: "The Gate", "The Gate Arts and Community Centre.

Gate Trust Limited is based in the converted Plasnewydd Church building in the Plasnewydd ward of Cardiff, Wales.

##### **Board of Trustees**

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law, and throughout this report are collectively referred to as the trustees. The trustees meet at least once a year as a full group. Trustees have been chosen based on their professional expertise and commitment to the trust's vision to develop The Gate as a sustainable Community Arts Centre with a community at its hub.

# **GATE TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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### **Organisation**

Continually clarifying of the strategy and direction of The Gate as a sustainable Community Arts Centre with a community at its hub. The charity employs staff to manage particular departments, as well as using casual staff and volunteers. The venue has continued to go through a period of change. The last 12 months have included significant alterations to the programme, some progress with the finances but a continuation of many and varied operational challenges.

The team has continued to show resilience to ensure the venue has remained open and continued to offer a high-quality service to its visitors and clients. The management group have endeavoured to instil a new sense of purpose to the team, mapping out key strategic aims for the venue and establishing a fresh vision for seeing the place become a thriving hub of hospitality and creativity.

### **Decision Making**

The Trustees make the decisions about strategy and direction in consultation with the staff, who then executes them.

### **Remuneration**

The Trustees set the pay and remuneration of the charity's key management personnel and local and sector criteria are used in setting them.

### **Trustee Induction**

New trustees undergo appropriate induction to brief them on their legal obligations under charity law, the content of the Trust Deed and the committee and decision-making process. They meet key employees and other trustees. Trustees are encouraged to attend external training events, where these will be of benefit to their role.

### **Related Parties**

Gate Trust has worked closely with Going Public Trust and Glenwood Church (registered charity 1125128). There are some individuals who act as trustees on both of these charities.

Gate Trust shares some office facilities of Glenwood Church (photocopier etc). All transactions between the organisations are dealt with properly, with appropriate invoicing taking place between them. Details of the transactions between these parties are disclosed in the accounts.

# **GATE TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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### **Reference and administrative details**

<b>Charity name:</b>	Gate Trust Limited
<b>Other names:</b>	The Gate The Gate Arts and Community Centre
<b>Charity registration number:</b>	1090915
<b>Company registration number:</b>	4118613
<b>Registered office:</b>	The Gate Keppoch Street Cardiff CF24 3JW
<b>Trustees:</b>	Norman Adams John Gallacher Rob Parsons Peter Brooks Robert Scott-Cook
<b>Trust accountant:</b>	Paul Burnell
<b>Key management personnel:</b>	Mark Rawlins
<b>Independent examiners:</b>	Azets Audit Services Chartered Accountants & Statutory Auditors Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
<b>Bankers:</b>	The Co-operative Bank Business Customer Services PO Box 250 Skelmersdale WN8 8WT
<b>Solicitors:</b>	Loosemoores Solicitors Alliance House 18/19 High Street Cardiff CF10 1PT



# **GATE TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees' report was approved by the Board of Trustees.

**R.L. Scott-Cook**

**Robert Scott-Cook - Trustee**

Dated: 29 November 2021

# **GATE TRUST LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees, who are also the directors of Gate Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# GATE TRUST LIMITED

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GATE TRUST LIMITED

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I report to the trustees on my examination of the financial statements of Gate Trust Limited (the charity) for the year ended 31 March 2021.

### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

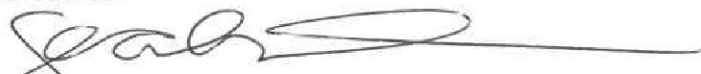
### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for 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).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



**Sarah Case FCA DChA**  
Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB  
United Kingdom

Dated: 07-12-2021

# GATE TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	796	-	796	1,377	-	1,377
Charitable activities	4	178,408	124,116	302,524	290,595	7,500	298,095
Investments	5	57	-	57	44	-	44
Other income	6	-	-	-	206	-	206
<b>Total income</b>		<b>179,261</b>	<b>124,116</b>	<b>303,377</b>	<b>292,222</b>	<b>7,500</b>	<b>299,722</b>
<b>Expenditure on:</b>							
Charitable activities	7	71,065	96,571	167,636	311,432	7,500	318,932
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>108,196</b>	<b>27,545</b>	<b>135,741</b>	<b>(19,210)</b>	<b>-</b>	<b>(19,210)</b>
Gross transfers between funds		(3,293)	3,293	-	-	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>104,903</b>	<b>30,838</b>	<b>135,741</b>	<b>(19,210)</b>	<b>-</b>	<b>(19,210)</b>
Fund balances at 1 April 2020		438,417	-	438,417	457,627	-	457,627
<b>Fund balances at 31 March 2021</b>		<b>543,320</b>	<b>30,838</b>	<b>574,158</b>	<b>438,417</b>	<b>-</b>	<b>438,417</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# GATE TRUST LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		440,458		455,451
Investments	12		50,000		-
			<u>490,458</u>		<u>455,451</u>
<b>Current assets</b>					
Stocks	13	2,000		3,800	
Debtors	14	6,224		4,445	
Cash at bank and in hand		84,487		21,934	
		<u>92,711</u>		<u>30,179</u>	
<b>Creditors: amounts falling due within one year</b>	16	(9,011)		(47,213)	
Net current assets/(liabilities)			<u>83,700</u>		<u>(17,034)</u>
<b>Total assets less current liabilities</b>			<u>574,158</u>		<u>438,417</u>
<b>Income funds</b>					
Restricted funds	18		30,838		-
<u>Unrestricted funds</u>					
Designated funds	17	440,458		-	
General unrestricted funds		<u>102,862</u>		<u>438,417</u>	
			<u>543,320</u>		<u>438,417</u>
			<u>574,158</u>		<u>438,417</u>

# GATE TRUST LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29 November 2021

**R.L. Scott-Cook**

**Robert Scott-Cook - Trustee**

**Company Registration No. 4118613**

# **GATE TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Charity information**

Gate Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Gate, Keppoch Street, Cardiff, CF24 3JW.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The charity has negative free reserves at as 31st March 2020 due to a significant amount of its reserves being tied up in fixed assets. The charity is looking at various ways of generating additional unrestricted income to look to increase its free reserves position in the future.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

Cafe bar income, class income and event and presentation income is recognised when the sale takes place or when the service is provided. Rental income is invoiced and included in the period to which the rental took place. Any amounts received in advance of the service provided is deferred in the financial statements.

Grants are only included in the accounts when the general income recognition criteria is met. In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met.

Interest income is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Building improvements	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.



# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Rental charges are charged on a straight line basis over the term of the lease.

#### 1.15 Taxation

As a registered charity, Gate Trust Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 3 Donations and legacies

Unrestricted funds	Unrestricted funds
2021	2020
£	£

Donations and gifts	796	1,377
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### 4 Charitable activities

2021	2020
£	£

Cafe bar	750	53,509
Grants	180,616	7,500
Rooms and facilities hire	108,929	174,119
Events, classes and presentations	12,229	62,967

302,524	298,095
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Analysis by fund  
Unrestricted funds  
Restricted funds

178,408
124,116

302,524
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#### For the year ended 31 March 2020

Unrestricted funds	290,595
Restricted funds	7,500

298,095
---------

#### Grants

Heritage Lottery Fund	46,300	-
Welsh Government	32,550	-
Arts Council of Wales	31,500	5,000
Cardiff Council	25,000	-
HMRC Coronavirus Job Retention Scheme	45,266	-
Arts & Business Cymru	-	500
The Oakdale Trust	-	1,000
Western Power Distribution	-	1,000

180,616	7,500
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# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	57	44

### 6 Other income

	Total	Unrestricted funds
	2021	2020
	£	£
Sundry	-	206

### 7 Charitable activities

	2021	2020
	£	£
Staff costs	89,634	161,901
Depreciation and impairment	14,993	14,993
Arts and theatre costs	-	6,595
Catering	3,369	28,170
Repairs, renewals and equipment hire	7,623	33,469
Marketing	1,316	5,035
Tutor fees	-	1,033
Subscriptions	887	3,167
Training, sundry and travel expenses	1,459	2,224
	119,281	256,587
Share of support costs (see note 8)	46,385	60,375
Share of governance costs (see note 8)	1,970	1,970
	167,636	318,932
<b>Analysis by fund</b>		
Unrestricted funds	71,065	311,432
Restricted funds	96,571	7,500
	167,636	318,932

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Staff costs	3,735	-	3,735	6,746	Direct
Bank charges and loan interest	1,445	-	1,445	5,251	Direct
Cleaning	2,398	-	2,398	2,866	Direct
Repairs, renewals and equipment hire	16,998	-	16,998	5,278	Direct
Light, heat and insurance	12,289	-	12,289	22,943	Direct
Training, travel expenses and sundry	-	-	-	1,056	Direct
Legal and professional fees	6,914	-	6,914	9,339	Direct
Telephone	809	-	809	1,083	Direct
Printing, postage and stationery	247	-	247	613	Direct
Rent and rates	1,550	-	1,550	5,200	Direct
Independent examination fees	-	1,970	1,970	1,970	Governance
	<u>46,385</u>	<u>1,970</u>	<u>48,355</u>	<u>62,345</u>	
Analysed between					
Charitable activities	<u>46,385</u>	<u>1,970</u>	<u>48,355</u>	<u>62,345</u>	

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No trustees were reimbursed for expenses during the current or prior year.

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total staff	9	22

##### Employment costs

	2021 £	2020 £
Wages and salaries	92,413	164,534
Social security costs	-	2,446
Other pension costs	956	1,667
	93,369	168,647

##### Key management personnel

The key management personnel of the charity are as detailed in the trustees report. The total employee benefits (including gross salary, employers national insurance and employers pension contributions) of the key management personnel of the charity was £8,250 (2020: £16,250).

There were no employees whose annual remuneration was £60,000 or more.

#### 11 Tangible fixed assets

	Freehold land and buildings £	Building improvements £	Total £
<b>Cost</b>			
At 1 April 2020	500,000	49,929	549,929
At 31 March 2021	500,000	49,929	549,929
<b>Depreciation and impairment</b>			
At 1 April 2020	70,000	24,478	94,478
Depreciation charged in the year	10,000	4,993	14,993
At 31 March 2021	80,000	29,471	109,471
<b>Carrying amount</b>			
At 31 March 2021	420,000	20,458	440,458
At 31 March 2020	430,000	25,451	455,451

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 12 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 April 2020	-
Valuation changes	50,000
	<u>50,000</u>
At 31 March 2021	<u>50,000</u>
<b>Carrying amount</b>	
At 31 March 2021	50,000
	<u>50,000</u>
At 31 March 2020	<u>-</u>

The charity invested £50,000 with Green Pastures CBS during the year. The fund is an ethical investment programme which will generate a yield of 4% per annum.

### 13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	2,000	3,800
	<u>2,000</u>	<u>3,800</u>

### 14 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,285	4,310
Other debtors	939	135
	<u>6,224</u>	<u>4,445</u>

### 15 Loans and overdrafts

	2021 £	2020 £
Other loans	-	24,000
	<u>-</u>	<u>24,000</u>
Payable within one year	-	24,000
	<u>-</u>	<u>24,000</u>

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Borrowings	-	24,000
Other taxation and social security	-	1,739
Trade creditors	67	14,978
Other creditors	7,286	4,838
Accruals and deferred income	1,658	1,658
	<u>9,011</u>	<u>47,213</u>

### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Incoming resources £	Balance at 1 April 2020 £	Transfers £	Balance at 31 March 2021 £
Fixed asset fund	-	-	440,458	440,458
	<u>-</u>	<u>-</u>	<u>440,458</u>	<u>440,458</u>

**Fixed asset fund** - Relates to the unrestricted net book value of the charity's fixed assets.



# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Balance at 1 April 2020	Movement in funds		Transfers	Balance at 31 March 2021
	Incoming resources	Resources expended		Incoming resources	Resources expended		
	£	£	£	£	£	£	£
National Lottery Heritage Fund	-	-	-	46,300	(36,166)	-	10,134
Welsh Government	-	-	-	32,550	(15,139)	-	17,411
HMRC Coronavirus Job Retention Scheme	-	-	-	45,266	(45,266)	-	-
EA America Mission	-	-	-	-	-	151	151
Serbia	-	-	-	-	-	3,142	3,142
Arts Council of Wales	5,000	(5,000)	-	-	-	-	-
Arts & Business Cymru	500	(500)	-	-	-	-	-
The Oakdale Trust	1,000	(1,000)	-	-	-	-	-
Western Power Distribution	1,000	(1,000)	-	-	-	-	-
	7,500	(7,500)	-	124,116	(96,571)	3,293	30,838

**National Lottery Heritage Fund-** This is a grant received to assist the charity during COVID-19.

**Welsh Government-** This is a grant received to assist the charity during COVID-19.

**HMRC Coronavirus Job Retention Scheme** - Funding received to assist the charity with wage costs during the pandemic.

**EA America Mission** - This represents funds given by sponsors for work being done as a partnership with Evangelical Alliance Wales and a number of US churches, to support churches around Wales, particularly in disadvantaged communities, to carry out charitable activities locally.

**Serbia** - This is a social enterprise fund to support missionaries from the Bible School in Serbia.

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 18 Restricted funds (Continued)

**Arts Council of Wales** - This is a grant received towards the cost of Roath Folk Festival.

**Arts & Business Cymru** - This is a grant received towards the Brew Programme.

**The Oakdale Trust** - This is a grant received towards the Brew Programme.

**Western Power Distribution**-This is a grant received towards the Brew Programme.

### 19 Analysis of net assets between funds

Fund balances at 31 March 2021 are represented by:

	Unrestricted Fund		Designated funds		Restricted Fund		Total		Unrestricted Fund		Restricted Fund		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£
Tangible assets	-		440,458		-		440,458		455,451		-		455,451	
Investments	50,000		-		-		50,000		-		-		-	
Current assets/(liabilities)	52,862		-		30,838		83,700		(17,034)		-		(17,034)	
	102,862		440,458		30,838		574,158		438,417		-		438,417	

# GATE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	193	193

#### 21 Related party transactions

##### Glenwood Church

Glenwood Church has common trustees. During the year the charity invoiced Glenwood Church £nil for gallery hire (2020: £163) of which £nil was outstanding at the current and prior year end.. During the year Glenwood Church invoiced the charity £5,113 (2020: £163) for various services of which £nil was outstanding at the current and prior year end.

##### Woodlands Group of Churches

Woodlands Group of Churches has common trustees. In 2017 Woodlands Group of Churches made a loan to the Gate Trust Limited of £23,000. In July 2017 the organisation made a further loan of £6,000. The loan carries interest at 5.25%. The balance outstanding totalled £nil at the year end (2020: £24,000).

##### Going Public Trust

Going Public Trust has common trustees. During the year £nil (2020: £1,594) was paid to Going Public Trust in relation to income received on behalf of the organisation by the charity of which £nil was outstanding at the current and prior year end. During the year Going Public Trust invoiced the charity £794 (2020: £nil) for various services of which £nil was outstanding at the current and prior year end.

