

Charity Registration No. 1090933

Company Registration No. 04343888 (England and Wales)

GODFIRST CHRISTCHURCH

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

tc accounts • tax • legal • financial planning

10 Bridge Street
Christchurch
Dorset
BH23 1EF

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GODFIRST CHRISTCHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K Hudson	
	P Kegg	
	A Blick	
	D R Kemp	
	A Chapman	
	R Hatton-Bird	(Appointed 25 March 2022)
	S Harden	(Appointed 25 March 2022)
Secretary	A Chapman	
Chairman	D R Kemp	
Key management personnel	Duncan Lee (Pastor and Lead Elder)	
	Morne Smit (Assistant Pastor)	
	Justyn Pride (Operations Manager)	
Charity number	1090933	
Company number	04343888	
Principal address	The Runway 15 Airfield Road Christchurch Dorset BH23 3TG	
Registered office	15 Airfield Road Christchurch Dorset BH23 3TG	
Independent examiner	TC Group 10 Bridge Street Christchurch Dorset BH23 1EF	
Bankers	Lloyds, 4 Castle Street, Christchurch, BH23 1DU	

GODFIRST CHRISTCHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

A summary of the objects of the charity as set out in its governing document.

The principal activities of this charitable company are the advancement of the Christian faith in accordance with the Statement of Beliefs, in Christchurch and in such other parts of the UK or the world as the trustees from time to time think fit, and such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the work of the charity.

The elders regularly review the objectives and activities in line with strategies designed to achieve our vision and communicate this with the trustees and the wider leadership teams at least on an annual basis. We seek to further these objects by providing meetings for corporate worship, fellowship and prayer. Further fellowship and sharing opportunities come in the form of weekly home group meetings across the conurbation and there are specific training courses sponsored by the church for new Christians and for various ministry skills useful in the church.

The charity's aims including the changes or differences it seeks to make through its activities:

1. Reaching the Local Community for the advancement of the Christian faith

This has been achieved through our involvement with different age-groups and types of people. While our focus is the advancement of the Christian faith, this is seen through the lens of relieving poverty and seeking greater community cohesion. We measure this partly by the numbers of people we regularly interact with as a church community and ultimately in the numbers of these people who see themselves as belonging to Godfirst.

We give financially to various local charities that share our ethos including Christchurch Foodbank Plus, Faithworks CMA [Debt & Money Advice], The Water Lily Project [outreach to women in crisis] and this is backed-up by our own people giving their time and skills to help in these charities including those who serve as governors in local schools. Children and young people are a key priority for this charity; not only those of our own members but the wider community. We have just re-launched our toddler group, First Steps, which is now reaching over one hundred families most of whom are outside of the immediate church family.

2. Reaching the Global Community for the advancement of the Christian faith

We do this by encouraging, supporting and visiting Christian churches in other nations where we either have a connection or there is another link.

The charity's aims including the changes or differences it seeks to make through its activities:

3. Membership of a wider network

Godfirst Christchurch is wholly independent but it is affiliated to the Evangelical Alliance of Great Britain which represents us at government level and provides training, support and information on ethical, legal and social issues. Additionally, we are part of the Christchurch Fellowship of Churches that seeks to provide a forum for fellowship and joint projects across all Christian churches in Christchurch. Also leaders of church teams have the opportunity to gain wider experience and training from a wide range of contacts and this keeps us grounded and equipped for the strategies we have to reach our vision. We also regularly partner and collaborate with other charities and organisations as can be seen below.

Public Benefit

Through this report, we have illustrated the impact we are having on the local and global community. We exist to benefit the wider community but a by-product of this objective is that we benefit those that join us as members and are gathered in to the family of God, who in turn multiply the impact on the wider public. The trustees have complied with the duty set out in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and also the specific guidance on the advancement of religion for the public benefit. The following information demonstrates this duty and measurement of impact as a pro-active part of managing the charity.

Achievements and performance

2022 saw the further relaxing of UK regulations and guidance in regard to the COVID-19 pandemic and gradually activities based in our own building have returned to normal. The level of skills and cooperation between the main teams has been exemplary and has led to many people joining us and the 'family' of the church holding together and growing both 'in-person' and online. So much so, that several new activities have now started or are about to start led by our own people such as First steps, as mentioned above and a new wellbeing initiative called Thrive that seeks to enhance wellbeing and related activities in the community. Also, our new Pop-In Café opened in our building designed to reach those who are isolated in our community and this is growing well and having an impact on those attending. We have partnered with the Christchurch Foodbank Plus [CFB+] in providing meals for families during the school holidays and lockdowns and a new initiative for regular monthly family meals for those identified by CFB+ from within the community who do not normally get together as families for meals.

These emerging activities are all based in our building now called 'The Runway' at Airfield Road which has seen substantial refurbishment in the last 4 years on the ground floor [24,000 sq ft over 2 floors] and towards the end of the year we saw the completion of our youth and children's suite, the smaller auditorium seating 150 and the office suite, all on the first floor. This work included the installation of a passenger lift between the two floors. The next phase of the refurbishment includes the opening up of the third stairway, development of all the corridors on the first floor. Also completed is the upgrading of the café area and the building of a community kitchen in the room that has been used as a creche hitherto, but has always been designed for a kitchen. The kitchen is now operating but there is room for further expansion of this when the need arises. This latter development enables our partnership with the CFB+ to provide cookery training for families and young people to enhance life skills and further training as well as serving a wider set of activities within the building.

GODFIRST CHRISTCHURCH

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Our Welfare Fund established in 2018 has seen significant use over the year where we have helped several people in financial need or who needed items or services that they could not afford e.g. professional counselling, rent deposit, car repairs, emergency funding through illness etc. We regularly review this fund and provide top-ups as necessary.

Our full-time 0s-18s Leader has been involved in local schools teaching and taking assemblies.

In the last year we have demonstrated our involvement globally through visits or financial gifts to churches, individuals and charities in India, Uganda, The Balkans and Brazil and there are further opportunities in Cambodia and Myanmar, also we help overseas leaders to come to the UK for refreshment and provide opportunities for them to attend relevant conferences.

Financial review

The Trustees and Elders continue to be grateful for the sacrificial giving of those belonging to Godfirst Christchurch. Our total income this year consisted of General Offering Income £418,211 [2021 £373,826] and restricted gifts to the Building Fund and Mission Fund of £203,356 [2021 £300,568].

The Trustees consider that the financial performance by the charity has been satisfactory and achieved the target of delivering a net income for 2022 of £134,316 [2021 £307,465].

The Statement of Financial Activities shows total income for the year of £653,759 [2021 £682,588] and total expenditure of £519,443 [2021 £375,123]. Part of these resources, £236,744, has been spent on the refurbishment of our building. Costs for the purchase and refurbishment are being capitalised and are shown as at 31st December 2022 as £2,394,156 [2021 £2,227,341]. The original mortgage of £770,000 has now been reduced to £609,062 by scale repayments. Additional interest has been paid in 2022 on the loan that is base-rate-linked following increases in the Bank of England base rate.

The total of funds at the end of 2022 stands at £1,962,691 [2021 £1,828,375].

Reserves Policy

The trustees intend to maintain a Contingency Reserve in order to manage short-term financial obligations of the charity in the event of income being curtailed. The following factors govern the review of what is required by way of a reserve:

- The current economic climate and external factors affecting finance
- The level of regular giving and assessment of its continuation
- The requirement for working capital and the ability to meet contractual obligations
- The ability to raise additional funds should the church face financial difficulty.

At the end of the year the charity holds total unrestricted funds of £1,904,471 of which -£563,802 are negative free reserves. However the Trustees have assessed the level of Reserves to be maintained at a level of three months' routine expenditure, approximately £90,000. The Contingency Reserve stands at £52,131 and will be added to as surplus funds allow and is regularly reviewed by Trustees as a standing item in their meetings. We have had to use some of the Contingency Reserve to assist in the building work in 2021 and this may happen again, but the Trustees have resolved not to allow this to fall below £27,000 temporarily. Currently, all other reserves shown in other funds are allocated to the general operations of the charity as indicated by the fund titles.

GODFIRST CHRISTCHURCH

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Availability and adequacy of assets in each of the funds

The Trustees are satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund including contracts entered into.

The charity does not currently have sufficient funds to complete the development of The Runway, 15 Airfield Road Christchurch but because we continually manage this project in planned phases funded by additional gifts from individuals and grant-making trusts, we are confident that we can continue to completion in this way. The fund allocated for the refurbishment as at 31st December 2022 stands at £46,041.

The major risks to which the charitable company is exposed and reviews and systems to mitigate risks

The Trustees have a duty to identify and review the risks to which the charitable company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Generic risks as set out by the Charity Commission covering risks of Compliance, Environmental, Financial, Governance and Operational have just been reviewed and risk assessments redrawn.

It is considered that the major risks are those associated with finance, employment, property, safeguarding and health and safety issues. Each risk area is allocated to Trustees within the team and these risk areas are discussed as standing items at each Board meeting.

Financial risk is mitigated through careful budget planning and monthly monitoring of financial performance by the Trustees and management teams. Financial resources are protected through a system of internal controls.

Employment risks are managed in accordance with legislation and specialist HR advisers are consulted as required.

Appropriate insurance is maintained on our property and equipment together with cover for public and employer's liabilities.

The risks surrounding safeguarding issues for both children and vulnerable adults are minimised through our Safeguarding Procedures and Policy.

It is considered that there are no high risks to manage at present and the medium risk assessments have been mitigated by robust strategies that are adequate. However, management of these risks is an ongoing task and this subject is not only covered as a standing item at Board Meetings, but specific risk assessments are drawn up in response to events as they arise e.g. trip abroad, adventure weekend for young people, community events etc.

Future Plans

Our main objectives for the coming year are:

- Continue towards completion, the refurbishment of 15 Airfield Road, Christchurch.
- Hold two special Gift Days each year to receive funds from our individual donors to help fund this refurbishment.
- Develop partnerships with grant making trusts to augment the funds received from those belonging to the Church in respect of the building refurbishment.

GODFIRST CHRISTCHURCH

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Future Plans

Our main objectives for the coming year are:

- Develop the outward-facing activities of the Church so that the vision to see transformation in the area and people around us can be realised.
- Continue and develop our partnerships with Christchurch Foodbank Plus, The Water Lily Project, Faithworks Wessex and other organisations all of which share our ethos and vision.

Structure, governance and management

The charity is controlled by its governing document, the Memorandum and Articles of Association dated 20th December 2001, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Bament	(Resigned 31 December 2022)
K Hudson	
P Kegg	
A Blick	
D R Kemp	
A Chapman	
R Hatton-Bird	(Appointed 25 March 2022)
S Harden	(Appointed 25 March 2022)

Governance Arrangements

The Elders of the Church appoint the Trustees, who remain in office for a period of three years, after which time they can offer themselves for re-election to serve for a further period reviewable every three years. The Trustees are drawn from the active attenders of the Church with the appropriate skills for board membership. The Elders are the spiritual leaders of the charity and are the Members of the Charitable Company.

Recruitment and selection of Trustees is undertaken when required to either replace those trustees who are retiring or to add new skills to the Board. Nominees that are approached to consider standing will be subject to scrutiny under the provisions of the Articles of Association and a process of induction is put in place together with an invitation to sit in on meetings.

The Trustees focus on strategic and policy issues including key financial decisions. Operational matters are delegated to staff and the Strategic Leadership Team. The Trustees meet regularly with the Lead Elder to ensure that decisions are consistent with the spiritual aims of the Church and they monitor the minutes of meetings conducted by the Strategic Leadership Team for the same purpose.

The Elders of the Church, who are also Members, as at the end of the financial year were Duncan Lee, Morne Smit, Earl Gooden and John Bament who resigned on 31st December 2022. Duncan Lee [Lead Elder] and Morne Smit [Assistant Pastor] are employed to oversee the day-to-day management of the Charity and are now assisted by a new staff appointment of Operations Manager, Justyn Pride.

GODFIRST CHRISTCHURCH

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

FOR THE YEAR ENDED 31 DECEMBER 2022

The training of Elders, Trustees and Strategic Leadership Team members is considered and reviewed and the Church budget includes a provision for the costs of any required training to be met. A distinction is made in the Governing Document between the spiritual oversight of the Church and the management of assets and legal compliance but the Trustees have the power to delegate aspects of management of the charity to others as appropriate. These officers currently are:

- Duncan Lee – Lead Elder
- Morne Smit – Assistant Pastor
- Justyn Pride – Operations Manager
- Sam Pink – Children's and Youth Pastor
- Chris Gibbons – Accounts Assistant/treasurer
- Claire Watts – Personal Assistant and secretary.
- Josie Pride – operations Assistant [joined March 2022]

Volunteers

The church is involved in a wide range of service to the local community and internationally. This would not be possible without the voluntary efforts of a large number of the members of the church. With only 7 (2021: 6) paid staff currently, the volunteers number more than 100 to achieve this.

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

A Chapman

Trustee

Dated: 18 May 2023

GODFIRST CHRISTCHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF GODFIRST CHRISTCHURCH

I report to the trustees on my examination of the financial statements of Godfirst Christchurch (the charity) for the year ended 31 December 2022.

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 FCCA, 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.

James Paget
TC Group

10 Bridge Street
Christchurch
Dorset
BH23 1EF

Dated: 24 May 2023

GODFIRST CHRISTCHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	3	418,211	203,356	621,567	674,394
Charitable activities	4	30,033	-	30,033	8,191
Other trading activities	5	2,132	-	2,132	-
Investments	6	27	-	27	3
Total income		450,403	203,356	653,759	682,588
Expenditure on:					
Charitable activities	7	486,031	33,412	519,443	375,123
Net (outgoing)/incoming resources before transfers		(35,628)	169,944	134,316	307,465
Gross transfers between funds		236,744	(236,744)	-	-
Net income/(expenditure) for the year/ Net movement in funds		201,116	(66,800)	134,316	307,465
Fund balances at 1 January 2022		1,703,355	125,020	1,828,375	1,520,910
Fund balances at 31 December 2022		1,904,471	58,220	1,962,691	1,828,375

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.

GODFIRST CHRISTCHURCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		2,394,337		2,227,704
Current assets					
Debtors	14	8,589		7,373	
Cash at bank and in hand		185,500		253,136	
		194,089		260,509	
Creditors: amounts falling due within one year	16	(37,110)		(51,540)	
Net current assets			156,979		208,969
Total assets less current liabilities			2,551,316		2,436,673
Creditors: amounts falling due after more than one year	17		(588,625)		(608,298)
Net assets			1,962,691		1,828,375

GODFIRST CHRISTCHURCH**STATEMENT OF FINANCIAL POSITION (CONTINUED)****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Income funds					
Restricted funds	18		58,220		125,020
<u>Unrestricted funds - general</u>					
Designated funds	19	73,936		61,652	
General unrestricted funds		1,830,535		1,641,703	
			1,904,471		1,703,355
			1,962,691		1,828,375

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 December 2022.

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 18 May 2023

K Hudson
Trustee

A Blick
Trustee

Company Registration No. 04343888

GODFIRST CHRISTCHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	24		185,896		392,592
Investing activities					
Purchase of tangible fixed assets		(236,744)		(296,278)	
Interest received		27		3	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(236,717)		(296,275)
Financing activities					
Repayment of bank loans		(16,815)		(17,025)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(16,815)		(17,025)
Net (decrease)/increase in cash and cash equivalents			(67,636)		79,292
Cash and cash equivalents at beginning of year			253,136		173,844
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			185,500		253,136
			<u> </u>		<u> </u>

1 Accounting policies

Charity information

Godfirst Christchurch is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Airfield Road, Christchurch, Dorset, BH23 3TG.

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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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 unless the funds have been designated for other purposes.

Designated funds are unrestricted funds which have been earmarked for a particular purpose, within the objects of the charitable company, by the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. 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.

1.4 Incoming resources

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.

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and payroll etc which supports the church's activities. All support costs are deemed to relate to the charitable activity of the church. Governance costs are those support costs incurred to meet the statutory and constitutional requirements of the charitable company.

The charity classifies the lease of property and photocopying equipment as operating leases; the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over term of the lease.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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:

Leasehold land and buildings	Between 5-50 years on cost
Fixtures and fittings	Between 3-8 years on cost

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.

Assets with a value of less than £500 are not capitalised. Freehold property is shown at cost less depreciation. No depreciation has been provided on leasehold property as it remains under construction.

1 Accounting policies

(Continued)

1.7 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).

1.8 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.

1.9 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.

1.10 Taxation

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

1.11 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.

1.12 Retirement benefits

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

The charitable company operates a Workplace Pension scheme administered by National Employment Savings Trust [N.E.S.T.]. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Some staff opt-out of the Workplace Pension scheme but the charitable company still makes contractual employer- contributions to these staff members' private pension schemes.

1.13 Donated services and facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The time of volunteers is not recognised, refer to the trustees' annual report for more information about their contribution

GODFIRST CHRISTCHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of four months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

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.

3 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Donations and gifts	-	40,691	40,691	1,484
General offering	362,290	-	362,290	323,581
Special offering - Building Fund	-	143,340	143,340	281,536
Gift Aid recovery	55,921	17,925	73,846	66,953
Other	-	1,400	1,400	840
	418,211	203,356	621,567	674,394
For the year ended 31 December 2021	373,826	300,568		674,394

There were no donated goods and/or services in the year. The church is involved in a wide range of service to the local community and internationally. This would not be possible without the voluntary efforts of a large number of the members of the church. With only 7 paid staff at the balance sheet date, the volunteers number more than 100 to achieve this. The monetary value of the time of volunteers is not recognised.

GODFIRST CHRISTCHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	Church Work 2022 £	Church Work 2021 £
Youth & Children	2,352	1,577
Events	17,827	1,538
Car park rental income	9,854	5,076
	<u>30,033</u>	<u>8,191</u>

Charitable trading income

Church Work

5 Other trading activities

	Unrestricted funds general 2022 £	Total 2021 £
Letting and licensing arrangements	2,132	-
	<u>2,132</u>	<u>-</u>

6 Investments

	Unrestricted funds general 2022 £	Total 2021 £
Interest receivable	27	3
	<u>27</u>	<u>3</u>

GODFIRST CHRISTCHURCH**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****7 Charitable activities**

	2022	2021
	£	£
Children's work	32,452	1,177
Youth work	15,829	3,301
Events	24,315	8,277
	<hr/>	<hr/>
	72,596	12,755
	<hr/>	<hr/>
Grant funding of activities (see note 8)	46,606	29,325
	<hr/>	<hr/>
Share of support costs (see note 9)	398,801	331,723
Share of governance costs (see note 9)	1,440	1,320
	<hr/>	<hr/>
	519,443	375,123
	<hr/>	<hr/>
Analysis by fund		
Unrestricted funds - general	486,031	373,703
Restricted funds	33,412	1,420
	<hr/>	<hr/>
	519,443	375,123
	<hr/>	<hr/>
For the year ended 31 December 2021		
Unrestricted funds - general	373,703	
Restricted funds	1,420	
	<hr/>	
	375,123	
	<hr/>	

GODFIRST CHRISTCHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Grants payable

	2022	2021
	£	£
Grants to institutions:		
Commission Apostolic Trust Ltd (ATL)	5,098	16,200
Christchurch Food Bank	375	250
PACE Trust	250	250
The Waterlilly Project	500	250
Faithworks - Money Matters	-	250
Eclipse - Gambia Project	1,000	-
Other	-	200
An African Dream - Ministry gift	1,000	-
Ukraine Appeal	25,278	-
	<hr/>	<hr/>
	33,501	17,400
Grants to individuals	13,105	11,925
	<hr/>	<hr/>
	46,606	29,325
	<hr/> <hr/>	<hr/> <hr/>

Commission ATL - During the year we have ceased this affiliation and although the voluntary amount continued in 2021, this has now stopped.

DISHA - supporting vulnerable people in India.

Serbia - feeding programme for a poor shelter.

Christchurch Food Bank - emergency food for individuals and families

PACE - salary support for a part time schools worker.

Water Lily Project - a Christian charity supporting local women in Christchurch.

Faithworks - debt counselling

Other - Small grants made in accordance with our stated objects.

-

GODFIRST CHRISTCHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Staff costs	212,593	-	212,593	197,990
Depreciation	70,110	-	70,110	57,844
Elders, staff & volunteers expenses	4,907	-	4,907	4,281
Training	-	-	-	2,262
Office expenses	5,866	-	5,866	6,719
Ground rent & hire of premises	34,500	-	34,500	34,500
Light, heat and water	19,501	-	19,501	4,471
Insurance	2,930	-	2,930	3,025
Other expenses	201	-	201	1,108
Repairs and maintenance	10,006	-	10,006	9,070
Computer and related costs	3,585	-	3,585	2,729
Licenses, publicity and professional fees	3,570	-	3,570	7,724
Mortgage interest	31,032	-	31,032	-
Independent examination fees	-	1,440	1,440	1,320
	<u>398,801</u>	<u>1,440</u>	<u>400,241</u>	<u>333,043</u>
Analysed between				
Charitable activities	<u>398,801</u>	<u>1,440</u>	<u>400,241</u>	<u>333,043</u>

Support costs relating to non charitable activity costs and grant making activities are deemed to be immaterial. Mortgage interest and fees of £31,032 (2021:£28,490) were expensed in the year due to the cessation of construction at 15 Airfield Road, Christchurch. Last year the £28,490 interest was capitalised.

Governance costs relate to the independent examination fees.

10 Net movement in funds	2022	2021
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's independent examiner	1,440	1,320
Depreciation of owned tangible fixed assets	<u>70,110</u>	<u>57,844</u>

11 Trustees

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

Expenses of nil (2021: Nil) were reimbursed to Trustees for other expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Employees**Number of employees**

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	7	6
	<u> </u>	<u> </u>
Employment costs	2022	2021
	£	£
Wages and salaries	189,621	176,742
Social security costs	13,490	12,492
Other pension costs	9,482	8,756
	<u> </u>	<u> </u>
	212,593	197,990
	<u> </u>	<u> </u>

No employee received benefits of more than £60,000.

Wages and salaries includes redundancy of £0 (2021:£1,632).

Total remuneration of key management personnel during the year was £137,282 (2021: £100,836) and employers pensions £6,199 (2021: £4,580). Pension contributions were paid to 7 (2021: 6) staff under a defined contribution scheme. There were £3,293 (2021: £2,638) of accrued pension costs at the balance sheet date.

GODFIRST CHRISTCHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2022	2,284,847	64,901	2,349,748
Additions	236,744	-	236,744
At 31 December 2022	2,521,591	64,901	2,586,492
Depreciation and impairment			
At 1 January 2022	57,507	64,538	122,045
Depreciation charged in the year	69,928	182	70,110
At 31 December 2022	127,435	64,720	192,155
Carrying amount			
At 31 December 2022	2,394,156	181	2,394,337
At 31 December 2021	2,227,341	363	2,227,704

Capitalised leasehold purchase and improvement costs for 15 Airfield Road include mortgage interest and fees of £116,471 (2021: £116,471). Depreciation has been included on the completed building works, construction for the upper floor is paused at a stage of completion and depreciation will be provided until works recommence.

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	6,023	4,641
Other debtors	645	1,317
Prepayments and accrued income	1,921	1,415
	8,589	7,373

GODFIRST CHRISTCHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Loans and overdrafts

	2022	2021
	£	£
Bank loans	609,061	625,876
	<u> </u>	<u> </u>
Payable within one year	20,436	17,578
Payable after one year	588,625	608,298
	<u> </u>	<u> </u>

The charity completed on the purchase of 15 Airfield Road, Christchurch on 23 April 2018, at a cost of £1.1m plus fees, partly financed by two mortgage loans totalling £770,000 on an interest-only basis for the first 12 months to 23.04.2019 as follows:

1) £385,000 over 25 years fixed for 12 years 6 months @5.42%, secured against 15 Airfield Road Christchurch, (£362,625 outstanding at the balance sheet date), and

2) £385,000 over 25 years at 3.1% above the Bank of England base rate, secured against 15 Airfield Road. (£255,733 outstanding at the balance sheet date)

The loans are repayable by instalments.

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
	Notes	
Bank loans	15	17,578
Other taxation and social security		4,352
Trade creditors		14,203
Accruals and deferred income		15,407
		<u> </u>
		37,110
		<u> </u>

17 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
	Notes	
Bank loans	15	608,298
		<u> </u>

GODFIRST CHRISTCHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£
Building fund	122,520	160,265	-	(236,744)	46,041
Restricted gifts	-	10,115	(1,815)	-	8,300
Community Pastor Fund	2,500	-	-	-	2,500
Mission fund	-	32,976	(31,597)	-	1,379
	<u>125,020</u>	<u>203,356</u>	<u>(33,412)</u>	<u>(236,744)</u>	<u>58,220</u>

Building Fund - For the conversion of the current premises to a church and for community use.

Restricted Gifts - Specific donations received and paid over

Community Pastor Fund - Not yet spent .

Restricted fund transfers -

The £236,744 (2021: £267,244) transfer represents capitalised building and equipment costs of the redevelopment of 15 Airfield Road, these funds become unrestricted when expended.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 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:

	Balance at 1 January 2022	Transfers	Balance at 31 December 2022
	£	£	£
Contingency reserves	52,131	-	52,131
Staff sabbatical reserve fund	6,056	-	6,056
Welfare fund	3,465	1,182	4,647
Apostolic fund	-	11,102	11,102
	<u>61,652</u>	<u>12,284</u>	<u>73,936</u>

Apostolic Fund - Reserve created from remaining funds allocated to future Apostolic input .

Welfare Fund - Legacy supplied for welfare of needy in the local community.

Contingency Reserve Fund - contingency reserve in line with our Reserves Policy, see Report to Accounts.

Staff Sabbatical Fund - to give pastoral staff a sabbatical every 7 years.

20 Analysis of net assets between funds

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	2,394,337	-	2,394,337	2,227,704
Current assets/(liabilities)	98,759	58,220	156,979	208,969
Long term liabilities	(588,625)	-	(588,625)	(608,298)
	<u>1,904,471</u>	<u>58,220</u>	<u>1,962,691</u>	<u>1,828,375</u>

GODFIRST CHRISTCHURCH**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****21 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:

	2022	2021
	£	£
Within one year	2,382	3,970

In addition annual ground rent of £34,500 is payable on 15 Airfield Road over its remaining 85 year lease (from 2018) term, reviewed every 5 years.

22 Related party transactions

Donations received from Trustees in the year totaled £40,139 (2021: £140,715), of this £7,485 was specifically for the building fund.

23 Ultimate controlling party

The charitable company is controlled by the Trustees.

24 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	134,316	307,465
Adjustments for:		
Investment income recognised in statement of financial activities	(27)	(3)
Depreciation and impairment of tangible fixed assets	70,110	57,844
Movements in working capital:		
(Increase) in debtors	(1,216)	(951)
(Decrease)/increase in creditors	(17,288)	421
Cash generated from operations	185,895	364,776

GODFIRST CHRISTCHURCH**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****25 Analysis of changes in net (debt)/funds**

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash at bank and in hand	253,136	(67,636)	185,500
Loans falling due within one year	(17,578)	(2,858)	(20,436)
Loans falling due after more than one year	(608,298)	19,673	(588,625)
	<u>(372,740)</u>	<u>(50,821)</u>	<u>(423,561)</u>