

CITY GATES CHURCH
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

CITY GATES CHURCH
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charitable company, its Trustees and Advisers	1
Trustees' Report	2 - 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 - 27

CITY GATES CHURCH
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees	David Coleman, Chair Robert Ashworth, Trustee Zhang Zhihong, Trustee
Company registered number	05039715
Charity registered number	1103392
Registered office	43-45 Camden Road London NW1 9LR
Accountants	Calculus Accountants and Tax Advisers Limited Accountants 5 Priory Road Loughton Essex IG10 1AF
Bankers	Barclays Bank Plc Leicester LE87 2BB Co-Operative Bank Plc PO Box 50 Skelmersdale WN8 6YL
Solicitors	Lawson Lewis & Co 37 Brassey Avenue Hampton Park Eastbourne East Sussex BN22 9QD
Independent examiner	James Lambden Calculus Accountants and Tax Advisers Limited 5 Priory Road Loughton Essex IG10 1AF

CITY GATES CHURCH
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The charity is a charitable company limited by guarantee and was set up on 10 February 2004. It is governed by a Memorandum and Articles of Association. Its objects are:

1. To promote and advance the Christian faith throughout the world generally including by the worship of God, the instruction and edification of Christians, the care and Christian instruction of young people and children and the evangelisation of non Christians.
2. To relieve poverty, hardship, sickness and distress among peoples of the world.
3. To promote education and training.
4. To support such other charities and charitable purposes as the trustees shall decide.

Objectives and activities

a. Policies and objectives

The main activity of the charity is the promotion and advancement of the Christian faith; it does this through the activity of the church whose objectives include evangelism; pastoral care and community building; and worship and instruction in the Christian faith.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission (CC) relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Our strategy involves the charity operating through multiple sites within London (Soho, Camden and All Hallows-on-the-Wall), and engaging in a number of different projects which allow for new relationships with the public to be formed and the expansion of our social and outreach work.

During and as we come out of lockdown, the charity has been looking to increase its development of smaller groups within the church's community which are providing pastoral care, teaching and outreach opportunities.

c. Activities undertaken to achieve objectives

The church is involved in a number of projects, including outreach in the Red-light area of Soho, the care of international students learning English in London, University students and the homeless. The church has also run "Better Job Project" courses to help those transitioning to new or more fulfilling job opportunities, Portuguese language classes, and "up-cycling", alongside a number of other social and mission projects.

Church activities have been based in Soho, Camden and All Hallows-on-the-Wall, but due to Covid-19 restrictions, we have consolidated much of our work in the latter stages of the reporting period to our site in Camden. As a charity, we are looking for opportunities post lock-down to reopen our activities across all our sites, as and when appropriate and in line with Government guidelines.

International mission continues to be supported in a wide portfolio of areas across the world.

CITY GATES CHURCH
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

d. Volunteers

Like most churches the charity is grateful for the unstinting efforts of its members who work towards achieving its objects as volunteers.

e. Main activities undertaken to further the charitable company's purposes for the public benefit

The charity has due regard to guidance published by the CC on public benefit. The charity's commitment to promote the Christian faith creates an opportunity for all to hear the gospel and respond to it. Historically there is much testimony as to the benefit of faith and the lifestyle that goes with it, as it produces those who are willing to love, serve and care for those less fortunate than themselves.

This is evidenced in the charity's commitment to relieve hardship amongst sex-workers in London, the training of overseas students through its free English classes, and its commitment to overseas projects run by our mission partners. Our members are involved in a variety of work that gives rise to public benefit too numerous to mention, and the work of the church is to support them to persevere in it. As it says in Hebrews 10:24 "spur one another on to love and good deeds".

Achievements and performance

a. Main achievements of the charitable company

- We continued to hold Sunday services during the reporting period, where Covid-19 restrictions permitted. During Covid-19, the activities of the church transitioned first to being a virtual collective gathering and as restrictions have eased, have been consolidated to our Camden site.
- We have developed and began to utilise our Camden missional hub, which serves alongside a coffee shop run by a charity with whom we work.
- Our formal weekly gatherings are supplemented by smaller sub-groups of the congregation gathering together throughout the week across London with various missional, locational or demographic focuses. During the time of Covid-19 restrictions many of these smaller sub-groups continued on-line.
- Numbers at our homeless drop-in continued to grow until lockdown. Due to the layout of our Soho site, we were unable to continue running the homeless drop-in site during lockdown, but we have looked and continue to look for alternative ways to continue the provision of meals, discussion, mentoring and voluntary opportunities (see below).
- Prior to lockdown restrictions:
 - We continued our work in Soho – outreach and social work;
 - We developed new social and mission projects (e.g. the "Better Job Project" courses) in Camden and All Hallows-on-the-Wall, connecting with international students and local residents;
 - We continued to operate our Soho premises daily as a community drop-in resource providing free internet, meeting spaces and snacks;
 - We continued to offer a very popular free weekly English Conversation Class for internationals new to London,
 - We began to offer Portuguese Conversation Classes for those interested in learning and practicing Portuguese,
 - We continued to welcome a number of full-time volunteers from the UK and overseas to assist in the running of projects.
- Since lockdown restrictions have been in place we have sought to maintain as many of the activities above as possible, and have expanded in some areas, such as:
 - Expanded English Conversation Classes online to include individuals from and in other nations;
 - Expanded the reach of the social and mission projects, to include support groups, in tandem with another charity through the site in Camden;
 - Introduced an alternative support group structure specific to meeting the needs previously fulfilled through the Soho drop-in centre.

CITY GATES CHURCH
(A Company Limited by Guarantee)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. They have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be approximately 3 months of expenditure, which at current levels amounts to approximately £35,500 (after adjusting for the impact of Covid-19 in 2019/20). The trustees are pleased to report that unrestricted reserves currently exceed this threshold, however, income and expenditure of activities have reduced in recent years and the trustees hope to reverse this trend, so the current level of reserves is not felt to be excessive. Recent guidance from the Charity Commission recommends that charities should hold up to 6 months operating costs in reserves, which at current levels would be £71,000 against the unrestricted reserves of £117,764. Restricted funds held at 31 August 2020 were £3,832 and represent amounts received but not spent before the end of the year; the trustees expect these to be spent during 2020/21.

c. Principal funding

Historically, the charity has been funded by donations from members of the church congregation topped up by Gift Aid tax relief reclaimed from HM Revenue and Customs. However, during 2019/20 Covid-19 related grant funding made up 22% of incoming resources, which resulted in a surplus of £45,583 some of which will be used for mission support in 2020/21.

Structure, governance and management

a. Constitution

City Gates Church is registered as a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association.

b. Methods of appointment or election of Trustees

One third of the trustees shall retire by rotation. Unless otherwise determined by the Charity in general meeting, the term of office of a trustee shall continue until he retires or is removed in accordance with the relevant provisions of the Articles. The appointment of trustees is in accordance with the provisions of the company's Articles of Association.

c. Organisational structure and decision-making policies

The Charity is governed by its trustees who are also the directors and meet regularly to manage its affairs. The charity engaged four staff at different points during the year ended 31 August 2020, making up a maximum of 2 full time equivalents, who were engaged in charitable activities, finance and day to day administration. Although only three of the staff team were paid by the Charity. Day to day management is delegated to the church leadership team. The trustees make the major decisions regarding the funds of the charity. This would include the purchase or sale of major property assets and decisions with major funding implications.

CITY GATES CHURCH
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Related party relationships

City Gates Church works closely with another charity, Turn Trust, who provides office facilities at the registered office and trainees who help deliver the City Gates activities, the Living Room cafe is operated as a joint venture from which Turn Trust receives a profit share. Both B A Skrentny (senior pastor) and R H Ashworth (trustee) are involved in the day to day management of Turn Trust.

e. Financial risk management

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks, including insurance arrangements. The trustees do not envisage any significant external risks to funding which will not be met by church member donations. Internal control risks are being minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are being put in place to ensure the compliance with health and safety of staff, church members, volunteers, and visitors.

f. Trustees' indemnities

The charitable company's annual insurance arrangements include cover for trustee indemnity although the premium is not broken down to indicate the cost of providing the cover.

g. Compliance with laws and regulations

The trustees confirm that the charity has complied with all legal and regulatory requirements for charitable companies registered under the Companies Act 2006 and the Charities Act 2011.

Plans for future periods

Working with our training partners and volunteers we are looking forward to fully re-opening and expanding the number of social outreach and mission projects.

Of particular focus will be our base in Camden, developing new streams of connection with local residents, and interested parties. We hope to replicate some of those successful social projects which we have run for many years, benefiting those we connect with.

We will also look to re-open our work in Soho as soon as practicable, increasing the numbers of people we are helping and supporting.

Funds held as custodian

The members of City Gates congregation give to specific projects, individuals or charities via earmarked gifts received during church services. These funds are banked by the charity and passed on the specified project or charity. During the year, £8,837 including Gift Aid was received in this way and all was paid out during the year.

Members' liability

The Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

CITY GATES CHURCH
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charitable company for the purposes 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 12 July 2021 and signed on their behalf by:


David Coleman (Jul 28, 2021 17:17 GMT+1)

.....
David Coleman
(Chair of Trustees)

Date: Jul 28, 2021

CITY GATES CHURCH
(A Company Limited by Guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

Independent Examiner's Report to the Trustees of City Gates Church ('the charitable company')

I report to the charity Trustees on my examination of the accounts of the charitable company for the year ended 31 August 2020 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account) and the Balance Sheet and supporting Notes to the Financial Statements.

Responsibilities and Basis of Report

As the Trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company 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 charitable company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

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:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

Signed: *James Lambden*

Dated: Aug 2, 2021

James Lambden

FCA, CTA

Calculus Accountants and Tax Advisers Limited

Accountants
5 Priory Road
Loughton
Essex
IG10 1AF

CITY GATES CHURCH
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	126,728	8,832	135,560	127,427
Charitable activities	5	732	-	732	13,677
Other trading activities	6	4,672	-	4,672	10,148
Investments	7	1,140	-	1,140	975
Other income	8	885	-	885	1,221
Total income		134,157	8,832	142,989	153,448
Expenditure on:					
Charitable activities	10	92,089	5,317	97,406	147,314
Total expenditure		92,089	5,317	97,406	147,314
Net income		42,068	3,515	45,583	6,134
Transfers between funds	21	(56)	56	-	-
Net movement in funds		42,012	3,571	45,583	6,134
Reconciliation of funds:					
Total funds brought forward		75,752	261	76,013	69,879
Net movement in funds		42,012	3,571	45,583	6,134
Total funds carried forward		117,764	3,832	121,596	76,013

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 10 to 27 form part of these financial statements.

CITY GATES CHURCH
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	2,914	4,581
		<u>2,914</u>	<u>4,581</u>
Current assets			
Debtors	17	7,860	4,116
Investments	18	33,500	33,500
Cash at bank and in hand		80,903	39,342
		<u>122,263</u>	<u>76,958</u>
Creditors: amounts falling due within one year	19	(3,581)	(5,526)
Net current assets		<u>118,682</u>	<u>71,432</u>
Total assets less current liabilities		<u>121,596</u>	<u>76,013</u>
Net assets excluding pension asset		<u>121,596</u>	<u>76,013</u>
Total net assets		<u><u>121,596</u></u>	<u><u>76,013</u></u>
Charity funds			
Restricted funds	21	3,832	261
Unrestricted funds	21	117,764	75,752
Total funds		<u><u>121,596</u></u>	<u><u>76,013</u></u>

The charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 12 July 2021 and signed on their behalf by:


David Coleman (Jul 28, 2021 17:17 GMT+1)

.....
David Coleman
 (Chair of Trustees)

Date: Jul 28, 2021


Robert Ashworth (Aug 2, 2021 10:26 GMT+1)

.....
Robert Ashworth
 (Trustee)

The notes on pages 10 to 27 form part of these financial statements.

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The charity is a private company limited by guarantee incorporated in England and Wales, the address of the registered office is shown on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102) - 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 significant accounting policies detailed below and in accordance with applicable legislation (the Companies Act 2006 and the Charities Act 2011).

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

2.2 Going concern

The charity is dependent on continuing donations from members of the congregation and, as a consequence, the going concern basis is also dependent on these donations continuing. There is no indication that they will be discontinued in the foreseeable future.

2.3 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the repayment claim.

Other income from charitable activities or trading activities is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The charity receives gifts in kind from volunteers, however volunteer time is not recognised in the accounts either as income or an expense as it is impractical to measure this with any degree of accuracy.

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	- 25%	on straight line basis
Fixtures and fittings	- 25%	on straight line basis
Office equipment	- 25%	on straight line basis
Computer equipment	- 25%	on straight line basis
Other fixed assets	- 25%	on straight line basis

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.13 Pensions

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

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes. These funds are held to finance working capital and capital investment.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The key assumptions concerning the future and at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Tangible fixed assets: tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Carrying value at 31 August 2020 is £2,914 (2019: £4,581).

Other key sources of estimation uncertainty and assumptions:

Allocation of administration costs: a proportion of expenditure is either not directly attributable to specific projects or related to the central administration of the charity. In determining how to allocate these costs the trustees have considered the level of activities in each project, use of facilities and administrative support.

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	101,718	3,832	105,550
Grants	25,010	5,000	30,010
	<u>126,728</u>	<u>8,832</u>	<u>135,560</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	<u>118,590</u>	<u>8,837</u>	<u>127,427</u>

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Income from charitable activities - Living Room cafe (including GLO and GDM)	732	732
Income from charitable activities - Weekend Away	-	-
	<u>732</u>	<u>732</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>
Income from charitable activities - Living Room cafe (including GLO and GDM)	3,637	-
Income from charitable activities - Weekend Away	1,245	8,795
	<u>4,882</u>	<u>8,795</u>
	<u>4,882</u>	<u>13,677</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Fundraising miscellaneous	<u>18</u>	<u>18</u>	-

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Charity trading income - Domestic (Living Room Cafe)	<u>4,654</u>	<u>4,654</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Charity trading income - Domestic (Living Room Cafe)	<u>10,148</u>	<u>10,148</u>

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income - other local unlisted	<u>1,140</u>	<u>1,140</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income - other local unlisted	<u>975</u>	<u>975</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Other incoming resources (Employment Allowance)	<u>885</u>	<u>885</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other incoming resources (Employment Allowance)	<u>1,221</u>	<u>1,221</u>

9. Analysis of grants

	Grants to Individuals 2020 £	Total funds 2020 £
Grants, Mission support	9,550	9,550
Grants, Designated gifts	2,732	2,732
	<u>12,282</u>	<u>12,282</u>

	<i>Grants to Individuals 2019 £</i>	<i>Total funds 2019 £</i>
Grants, Mission support	9,350	9,350
Grants, Designated gifts	4,873	4,873
	<u>14,223</u>	<u>14,223</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
City Gates congregation	68,731	-	68,731
Mission support	9,550	-	9,550
Designated gifts	-	3,532	3,532
Living Room cafe (including GLO and GDM)	11,241	1,468	12,709
Weekend Away	-	317	317
Governance costs	2,567	-	2,567
	<u>92,089</u>	<u>5,317</u>	<u>97,406</u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
City Gates congregation	82,286	-	82,286
Mission support	9,356	-	9,356
Designated gifts	-	5,873	5,873
Living Room cafe (including GLO and GDM)	33,873	2,858	36,731
Weekend Away	-	10,583	10,583
Governance costs	2,485	-	2,485
	<u>128,000</u>	<u>19,314</u>	<u>147,314</u>

Summary by expenditure type

	Staff costs 2020 £	Other costs 2020 £	Total funds 2020 £
City Gates congregation	27,260	41,471	68,731
Mission support	-	9,550	9,550
Designated gifts	-	3,532	3,532
Living Room cafe (including GLO and GDM)	-	12,709	12,709
Weekend Away	-	317	317
Governance costs	-	2,567	2,567
	<u>27,260</u>	<u>70,146</u>	<u>97,406</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type (continued)

	<i>Staff costs</i> 2019 £	<i>Other costs</i> 2019 £	<i>Total funds</i> 2019 £
City Gates congregation	31,706	50,580	82,286
Mission support	-	9,356	9,356
Designated gifts	-	5,873	5,873
Living Room cafe (including GLO and GDM)	3,750	32,981	36,731
Weekend Away	-	10,583	10,583
Governance costs	-	2,485	2,485
	<u>35,456</u>	<u>111,858</u>	<u>147,314</u>

11. Analysis of support costs

	City Gates congregation 2020 £	Mission support 2020 £	Governance costs 2020 £	Total funds 2020 £
Pension costs	303	-	-	303
Administration staff and consultants	19,184	-	-	19,184
Depreciation	2,441	-	-	2,441
Office running costs	3,901	-	-	3,901
Governance costs	-	-	2,567	2,567
Total 2020	<u>25,829</u>	<u>-</u>	<u>2,567</u>	<u>28,396</u>

	<i>City Gates congregation</i> 2019 £	<i>Mission support</i> 2019 £	<i>Governance costs</i> 2019 £	<i>Total funds</i> 2019 £
Pension costs	257	-	-	257
Mission support	-	6	-	6
Administration staff and consultants	19,293	-	-	19,293
Depreciation	2,410	-	-	2,410
Office running costs	4,031	-	-	4,031
Governance costs	-	-	2,485	2,485
Total 2019	<u>25,991</u>	<u>6</u>	<u>2,485</u>	<u>28,482</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
City Gates congregation	42,902	-	25,829	68,731
Mission support	-	9,550	-	9,550
Designated gifts	800	2,732	-	3,532
Living Room cafe (including GLO and GDM)	12,709	-	-	12,709
Weekend Away	317	-	-	317
Governance costs	-	-	2,567	2,567
	<u>56,728</u>	<u>12,282</u>	<u>28,396</u>	<u>97,406</u>

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
City Gates congregation	56,295	-	25,991	82,286
Mission support	-	9,350	6	9,356
Designated gifts	1,000	4,873	-	5,873
Living Room cafe (including GLO and GDM)	36,731	-	-	36,731
Weekend Away	10,583	-	-	10,583
Governance costs	-	-	2,485	2,485
	<u>104,609</u>	<u>14,223</u>	<u>28,482</u>	<u>147,314</u>

13. Independent examiner's remuneration

	2020 £	2019 £
Fees payable to the charitable company's independent examiner for the independent examination of the charitable company's annual accounts	650	630
Fees payable to the charitable company's independent examiner in respect of:		
All accountancy and other services not included above	<u>2,005</u>	<u>1,960</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Staff costs

	2020	2019
	£	£
Wages and salaries	25,759	32,714
Social security costs	885	1,221
Contribution to defined contribution pension schemes	615	1,521
	<u>27,259</u>	<u>35,456</u>

The average number of persons employed by the charitable company during the year was as follows:

	2020	2019
	No.	No.
Charitable activities	2	2
Management and administration	1	1
	<u>3</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustees expenses have been incurred (2019 - £NIL).

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Tangible fixed assets

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	6,886	1,408	14,869	3,102	26,265
Additions	-	774	-	-	774
At 31 August 2020	6,886	2,182	14,869	3,102	27,039
Depreciation					
At 1 September 2019	6,886	606	11,641	2,551	21,684
Charge for the year	-	506	1,660	275	2,441
At 31 August 2020	6,886	1,112	13,301	2,826	24,125
Net book value					
At 31 August 2020	-	1,070	1,568	276	2,914
At 31 August 2019	-	802	3,228	551	4,581

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	3,162	2,950
Prepayments and accrued income	4,698	1,166
	<u>7,860</u>	<u>4,116</u>

18. Current asset investments

	2020 £	2019 £
Unlisted investments	<u>33,500</u>	<u>33,500</u>

19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	20	20
Other creditors	45	47
Accruals and deferred income	3,516	5,459
	<u>3,581</u>	<u>5,526</u>

20. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>114,403</u>	<u>72,842</u>

Financial assets measured at fair value through income and expenditure comprise investment bonds and bank balances

Other financial liabilities measured at fair value through income and expenditure comprise trade creditors accruals and deferred income.

CITY GATES CHURCH

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Unrestricted funds					
City Gates Congregation	75,752	103,291	(71,298)	10,019	117,764
Mission support	-	-	(9,550)	9,550	-
Living Room café (including GLO and GDM)	-	30,866	(11,241)	(19,625)	-
	<u>75,752</u>	<u>134,157</u>	<u>(92,089)</u>	<u>(56)</u>	<u>117,764</u>
Restricted funds					
Community outreach	-	5,000	(1,468)	-	3,532
Designated gifts	-	3,832	(3,532)	-	300
Weekend Away	261	-	(317)	56	-
	<u>261</u>	<u>8,832</u>	<u>(5,317)</u>	<u>56</u>	<u>3,832</u>
Total of funds	<u><u>76,013</u></u>	<u><u>142,989</u></u>	<u><u>(97,406)</u></u>	<u><u>-</u></u>	<u><u>121,596</u></u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
City Gates Congregation	67,490	118,210	(85,571)	(24,377)	75,752
Living Room café (including GLO and GDM)	-	17,606	(36,731)	19,125	-
	<u>67,490</u>	<u>135,816</u>	<u>(122,302)</u>	<u>(5,252)</u>	<u>75,752</u>
Restricted funds					
Mission Support	1,585	8,837	(14,429)	4,007	-
Weekend Away	804	8,795	(10,583)	1,245	261
	<u>2,389</u>	<u>17,632</u>	<u>(25,012)</u>	<u>5,252</u>	<u>261</u>
Total of funds	<u>69,879</u>	<u>153,448</u>	<u>(147,314)</u>	<u>-</u>	<u>76,013</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
General funds	75,752	134,157	(92,089)	(56)	117,764
Restricted funds	261	8,832	(5,317)	56	3,832
	<u>76,013</u>	<u>142,989</u>	<u>(97,406)</u>	<u>-</u>	<u>121,596</u>

Summary of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2019 £
General funds	67,490	135,816	(122,302)	(5,252)	75,752
Restricted funds	2,389	17,632	(25,012)	5,252	261
	<u>69,879</u>	<u>153,448</u>	<u>(147,314)</u>	<u>-</u>	<u>76,013</u>

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,914	-	2,914
Current assets	118,431	3,832	122,263
Creditors due within one year	(3,581)	-	(3,581)
Total	<u>117,764</u>	<u>3,832</u>	<u>121,596</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	4,581	-	4,581
Current assets	76,697	261	76,958
Creditors due within one year	(5,526)	-	(5,526)
Total	<u>75,752</u>	<u>261</u>	<u>76,013</u>

24. Pension commitments

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £615 (2019 - £1,521) and £45 was payable to the fund at the balance sheet date and is included in creditors.

CITY GATES CHURCH
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. Operating lease commitments

At 31 August 2020 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	14,500	14,500
Later than 1 year and not later than 5 years	33,833	48,333
	<u>48,333</u>	<u>62,833</u>

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

City Gates Church works closely with Turn Trust (charity number 1088758), operating the Living Room café as a joint venture from which Turn Trust receives a profit share, City Gates Church also re-imbursed Turn Trust for purchase of cafe equipment. Turn Trust provides trainees as volunteers to City Gates Church to help deliver ministry and projects. Turn Trust also provides shared office space at no cost. Gifts in kind are not recognised.

	Expenditure
	2020
	£
Turn Trust - Living Room Café	1,378
	<u>1,378</u>

Trustee donations during the year amounted to £14,285 (three trustees).

28. Controlling party

The charitable company has no share capital and is therefore controlled by the directors who are the trustees acting together. The directors are appointed by the members in general meeting.