

CITY GATES CHURCH
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

Calculus Assurance Services
Chartered Accountants
Loughton
Essex

CITY GATES CHURCH
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES
AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2023**

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 Assurance Services 5 Priory Road Loughton Essex IG10 1AF
Bankers	Barclays Bank Plc Leicester LE87 2BB
Solicitors	Lawson Lewis & Co 37 Brassey Avenue Hampton Park Eastbourne East Sussex BN22 9QD
Independent examiner	James Lambden FCA CTA Calculus Assurance Services 5 Priory Road Loughton Essex IG10 1AF

CITY GATES CHURCH

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TRUSTEES' REPORT (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements of the charitable company for the year 1 September 2022 to 31 August 2023. 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 private charitable company limited by guarantee and was incorporated in England and Wales 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, community building, 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 expressions of the church through multiple sites within London (Soho, Camden and All Hallows-on-the-Wall);
- engaging in a number of different projects which allow for the church's community to be strengthened serving together whilst facilitating the formation of new relationships with the public;
- partnering with other charities, individuals and groups with similar objectives, within London and further afield;
- looking for opportunities for the expansion of our social and outreach work; and
- encouraging the church community to regularly meet together in smaller sub-groups to support pastoral care, teaching and outreach opportunities.

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c. Activities undertaken to achieve objectives

The charity has historically met together on a weekly basis through its' Sunday gatherings, through its multiple sites in Soho, Camden and All Hallows-on-the-Wall. This allows the church community, those who are in relationship with that community, and anybody who is interested (all are welcome) to gather together for the purpose of the meeting the objectives set out above.

The charity also uses these sites, although not exclusively, to involve itself in a number of projects including:

- outreach in the "Red-light" area of Soho;
- connecting with international students learning English in London;
- connecting with University students and those starting careers in London;
- developing relationships and providing care and assistance to the homeless;
- running "Better Job Project" courses to help those transitioning to new or more fulfilling job opportunities;
- Portuguese and Spanish language classes;
- creative classes in art, photography, dance, and baking; and
- "up-cycling";

alongside a number of other social and mission projects.

Members of the charity's community are also involved in / support multiple projects that other charities, groups or individuals with similar objectives operate within London and further afield. International mission continues to be supported in a wide portfolio of areas across the world.

The charity provides opportunities for members, including a number of trainees of Turn Trust (a charity with whom we have close connection), to volunteer in serving within and running its various projects alongside benefiting from being integrated into the various communities of the charity.

In partnership with Turn Trust, the charity has also developed a series of week-long intensive projects, piloted in August 2023, including:

- Intensive English Conversation classes
- Walking the Green Chain Walk
- Art appreciation and production
- Localised mission projects in Camden and elsewhere.

Sub-groups of the charity community have historically regularly met together in different locations throughout London, whether that be the three primary sites, people's homes, or other project and mission hubs. The use of homes has expanded in the past year, and is an invaluable resource in establishing a stronger community.

The church community regularly meets at All Hallows-on-the-Wall for in-person connection, with a steadily increasing number joining the community from the projects listed above. The "bring-and-share" lunch organised on a monthly basis at All Hallows-on-the-Wall after a Sunday gathering, has strengthened both community ties within members of the church and also provides outreach opportunities over a communal meal.

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

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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 have continued to hold Sunday services during the reporting period in-person at All Hallows-on-the-Wall; the virtual option has now been phased out, with all members of the community now returning to meet in-person.
- Many of our project activities, such as the language classes, are run primarily through the Camden site. The Camden site has a coffee shop (called "The Living Room Club Cafe") which is run by Turn Trust, a charity with whom we closely partner with. The site provided a good base during the reporting period for co-locating and carrying out both charity's activities.
- Further project activities, such as language classes and the Better Job Project, are run through the Soho site, based in the Living Room Soho.
- Our formal weekly gatherings were supplemented by smaller sub-groups of the congregation gathering throughout the week across London with various missional, locational or demographic focuses.
- The Soho homeless drop-in project has continued on a weekly basis. This project is supported by volunteers, and facilitated the provision of meals, discussion, mentoring and voluntary opportunities, etc.
- Quaystone Church continued to join City Gates Church's Sunday gatherings every alternate week throughout the reporting period and which has continued beyond. Partnering together in each charity's activities has strengthened both communities, and has provided expanded opportunities for service.
- We continued to welcome a number of full-time volunteers from the UK and overseas to assist in the serving with and running of projects, and to be involved in the outworking of the charity's communities. A number of these are trainees with Turn Trust, a charity with whom City Gates has close connection.

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. Historically, they 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 £26,000.

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The trustees report that unrestricted reserves currently exceed this threshold, however note that both income and expenditure of activities have reduced in recent years due to Covid-19 and other factors. As a "new normal" is reached, the trustees hope to reverse this trend, so the current level of reserves is not felt to be excessive. Further, the trustees have tasked the church leadership team, to whom day to day management of the charity is delegated, to prayerfully consider the ways in which the excess reserves should either be deployed in the short or medium term.

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 £52,000 against the unrestricted reserves of £138,319. Restricted funds held at 31 August 2023 were £3,663 and represent amounts received but not spent before the end of the year; the trustees expect these to be spent during 2023/24.

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 for 2022/23 these amounted to £59,298 (2022 - £85,670), approximately 75% (2022 - 88%) of total income. The Living Room Café which re-started during 2021/22 following Covid, produced income of £16,810 in 2022/23 (2021/22 - £9,350), approximately 21% of total income (2022 - 10%), the Café operating costs were £27,606 with the deficit funded from Covid support grants brought forward in reserves.

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 members during the year ended 31 August 2023, making up a maximum of 1 full time equivalents, who was 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.

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 Club 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.

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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

We continue to look at what opportunities there are for expanding the way in which the charity serves, and what social outreach and mission projects we are involved with, with particular focus on the communities that touch our base sites in Soho, Camden and All-Hallows, as well as the Quaystone community. We are also looking at developing the richness of our partnerships with other charities, groups and individuals, and our open to new ones that may arise.

The charity will continue to work towards effectively supporting those that consider themselves "members" of the charity's various communities. The "bring-and-share" lunches have proved very effective towards this. We are also considering how best to develop our support of children and youth in the community. The establishing of mid-week sub-gatherings to complement the weekly Sunday gatherings has, and will continue to be, developed, providing additional and focused opportunity for individual pastoral support, teaching and outreach opportunities.

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, £3,231 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.

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TRUSTEES' REPORT (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

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 24 May 2024 and signed on their behalf by:



.....
Robert Ashworth

Trustee

Date: 24/05/24

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CITY GATES CHURCH ('THE CHARITABLE COMPANY') FOR THE YEAR ENDED 31 AUGUST 2023

I report to the charity Trustees on my examination of the accounts of the charitable company for the year ended 31 August 2023 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: 

Dated: 24/05/24

James Lambden FCA, CTA

Calculus Assurance Services

Chartered Accountants

5 Priory Road

Loughton

Essex IG10 1AF

CITY GATES CHURCH

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	56,067	3,231	59,298	85,670
Charitable activities	5	16,810	-	16,810	9,350
Other trading activities	6	38	-	38	23
Investments	7	2,359	-	2,359	1,966
Other income	8	75	-	75	473
Total income		75,349	3,231	78,580	97,482
Expenditure on:					
Charitable activities	10	100,503	3,231	103,734	105,082
Total expenditure		100,503	3,231	103,734	105,082
Net income		(25,154)	-	(25,154)	(7,600)
Transfers between funds	21	-	-	-	-
Net movement in funds		(25,154)	-	(25,154)	(7,600)
Reconciliation of funds:					
Total funds brought forward	21	163,473	3,663	167,136	174,736
Net movement in funds		(25,154)	-	(25,154)	(7,600)
Total funds carried forward	21	138,319	3,663	141,982	167,136

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

The notes on pages 11 to 28 form part of these financial statements.

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BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	2	196
		<u>2</u>	<u>196</u>
Current assets			
Debtors	17	5,823	4,425
Investments	18	58,500	53,500
Cash at bank and in hand		81,109	112,025
		<u>145,432</u>	<u>169,950</u>
Creditors: amounts falling due within one year	19	(3,452)	(3,010)
Net current assets		<u>141,980</u>	<u>166,940</u>
Total assets less current liabilities		<u>141,982</u>	<u>167,136</u>
Net assets excluding pension asset		<u>141,982</u>	<u>167,136</u>
Total net assets		<u>141,982</u>	<u>167,136</u>
Charity funds			
Restricted funds	21	3,663	3,663
Unrestricted funds	21	138,319	163,473
Total funds		<u>141,982</u>	<u>167,136</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 24 May 2024 and signed on their behalf by:



Robert Ashworth
(Trustee)
Date: 24/05/24



Zhang Zhihong (May 24, 2024 16:42 GMT+1)

Zhang Zhihong
(Trustee)
24/05/24

The notes on pages 11 to 28 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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.

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 based on time spent, and depreciation charges allocated on the portion of the asset's use.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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 2023 is £2 (2022: £196).

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	56,067	3,231	59,298
Grants	-	-	-
	<u>56,067</u>	<u>3,231</u>	<u>59,298</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	84,325	1,345	85,670
Grants	-	-	-
	<u>84,325</u>	<u>1,345</u>	<u>85,670</u>

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Income from charitable activities - Living Room cafe (including GLO and GDM)	16,810	-	16,810
Income from charitable activities - Weekend Away	-	-	-
	<u>16,810</u>	<u>-</u>	<u>16,810</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from charitable activities - Living Room cafe (including GLO and GDM)	9,350	-	9,350
Income from charitable activities - Weekend Away	-	-	-
	<u>9,350</u>	<u>-</u>	<u>9,350</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Fundraising miscellaneous	<u>38</u>	<u>38</u>	<u>23</u>

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Charity trading income - Domestic (Living Room Cafe)	<u>-</u>	<u>-</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Charity trading income - Domestic (Living Room Cafe)	<u>-</u>	<u>-</u>

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income - other local unlisted	<u>2,359</u>	<u>2,359</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income - other local unlisted	<u>1,966</u>	<u>1,966</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

8. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £
Other incoming resources (Employment Allowance)	<u>75</u>	<u>75</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Other incoming resources (Employment Allowance)	<u>473</u>	<u>473</u>

9. Analysis of grants payable

	Grants to Individuals 2023 £	Total funds 2023 £
Grants, Mission support	9,300	9,300
Grants, Designated gifts	3,231	3,231
	<u>12,531</u>	<u>12,531</u>

	<i>Grants to Individuals 2022 £</i>	<i>Total funds 2022 £</i>
Grants, Mission support	9,300	9,300
Grants, Designated gifts	1,364	1,364
	<u>10,664</u>	<u>10,664</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure on charitable activities

a) Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
City Gates congregation	60,272	-	60,272
Mission support	9,300	-	9,300
Designated gifts	-	3,231	3,231
Living Room cafe (including GLO and GDM)	27,606	-	27,606
Weekend Away	-	-	-
Governance costs	3,325	-	3,325
	<u>100,503</u>	<u>3,231</u>	<u>103,734</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
City Gates congregation	67,834	-	67,834
Mission support	9,300	-	9,300
Designated gifts	-	1,364	1,364
Living Room cafe (including GLO and GDM)	23,576	-	23,576
Weekend Away	-	-	-
Governance costs	3,008	-	3,008
	<u>103,718</u>	<u>1,364</u>	<u>105,082</u>

b) Summary by expenditure type

	Staff costs 2023 £	Other costs 2023 £	Total funds 2023 £
City Gates congregation	33,467	26,805	60,272
Mission support	-	9,300	9,300
Designated gifts	-	3,231	3,231
Living Room cafe (including GLO and GDM)	-	27,606	27,606
Weekend Away	-	-	-
Governance costs	-	3,325	3,325
	<u>33,467</u>	<u>70,267</u>	<u>103,734</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure on charitable activities (continued)

b) Summary by expenditure type (continued)

	<i>Staff costs</i>	<i>Other costs</i>	<i>Total funds</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>
City Gates congregation	45,572	22,262	67,834
Mission support	-	9,300	9,300
Designated gifts	-	1,364	1,364
Living Room cafe (including GLO and GDM)	-	23,576	23,576
Weekend Away	-	-	-
Governance costs	-	3,008	3,008
	<u>45,572</u>	<u>59,510</u>	<u>105,082</u>

11. Analysis of support costs

	City Gates Congregation	Living Room Cafe	Governance costs	Total funds
	2023	2023	2023	2023
	£	£	£	£
Pension costs	62	-	-	62
Administration staff and consultants	7,005	-	-	7,005
Depreciation	194	-	-	194
Office running costs	19,583	17,194	-	36,777
Governance costs	-	-	3,325	3,325
Total 2023	<u>26,844</u>	<u>17,194</u>	<u>3,325</u>	<u>47,363</u>

	<i>City Gates Congregation</i>	<i>Living Room Cafe</i>	<i>Governance costs</i>	<i>Total funds</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>	<i>2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Pension costs	301	-	-	301
Administration staff and consultants	18,871	-	-	18,871
Depreciation	369	-	-	369
Office running costs	17,062	15,830	-	32,892
Governance costs	-	-	3,008	3,008
Total 2022	<u>36,603</u>	<u>15,830</u>	<u>3,008</u>	<u>55,441</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

12. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
City Gates congregation	33,428	-	26,844	60,272
Mission support	-	9,300	-	9,300
Designated gifts	-	3,231	-	3,231
Living Room cafe (including GLO and GDM)	10,412	-	17,194	27,606
Weekend Away	-	-	-	-
Governance costs	-	-	3,325	3,325
	<u>43,840</u>	<u>12,531</u>	<u>47,363</u>	<u>103,734</u>

	<i>Activities undertaken directly 2022 £</i>	<i>Grant funding of activities 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
City Gates congregation	31,231	-	36,603	67,834
Mission support	-	9,300	-	9,300
Designated gifts	-	1,364	-	1,364
Living Room cafe (including GLO and GDM)	7,746	-	15,830	23,576
Weekend Away	-	-	-	-
Governance costs	-	-	3,008	3,008
	<u>38,977</u>	<u>10,664</u>	<u>55,441</u>	<u>105,082</u>

13. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the charitable company's independent examiner for the independent examination of the charitable company's annual accounts	819	765
Fees payable to the charitable company's independent examiner in respect of:		
All accountancy and other services not included above	<u>2,386</u>	<u>2,230</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

14. Staff costs

	2023	<i>2022</i>
	£	<i>£</i>
Wages and salaries	1,257	<i>12,260</i>
Social security costs	75	<i>473</i>
Contribution to defined contribution pension schemes	62	<i>301</i>
	<u>1,394</u>	<u><i>13,034</i></u>

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Charitable activities	1*	<i>1</i>
Management and administration	-	<i>-</i>
	<u>1*</u>	<u><i>1</i></u>

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

* There was one employee for part of the year ended 31 August 2023.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2022 - £NIL*).

During the year ended 31 August 2023, no Trustees expenses have been incurred (*2022 - £NIL*).

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

16. Tangible fixed assets

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	6,886	2,182	14,868	3,102	27,038
Additions	-	-	-	-	-
At 31 August 2023	6,886	2,182	14,868	3,102	27,038
Depreciation					
At 1 September 2022	6,886	1,988	14,868	3,100	26,842
Charge for the year	-	194	-	-	194
At 31 August 2023	6,886	2,182	14,868	3,100	27,036
Net book value					
At 31 August 2023	-	-	-	2	2
At 31 August 2022	-	194	-	2	196

17. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	2,950	2,950
Prepayments and accrued income	2,873	1,475
	5,823	4,425

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

18. Current asset investments

	2023	<i>2022</i>
	£	<i>£</i>
Unlisted investments	<u>58,500</u>	<u><i>53,500</i></u>

19. Creditors: Amounts falling due within one year

	2023	<i>2022</i>
	£	<i>£</i>
Trade creditors	20	<i>20</i>
Other creditors	90	<i>90</i>
Accruals and deferred income	3,342	<i>2,900</i>
	<u>3,452</u>	<u><i>3,010</i></u>

20. Financial instruments

	2023	<i>2022</i>
	£	<i>£</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>139,609</u>	<u><i>165,525</i></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 2023

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
Unrestricted funds					
City Gates Congregation	163,473	55,349	(63,597)	(16,906)	138,319
Mission support	-	-	(9,300)	9,300	-
Living Room café (including GLO and GDM)	-	20,000	(27,606)	7,606	-
	<u>163,473</u>	<u>75,349</u>	<u>(100,503)</u>	<u>-</u>	<u>138,319</u>
Restricted funds					
Community outreach	3,532	-	-	-	3,532
Designated gifts	131	3,231	(3,231)	-	131
Living Room café (including GLO and GDM)	-	-	-	-	-
Weekend Away	-	-	-	-	-
	<u>3,663</u>	<u>3,231</u>	<u>(3,231)</u>	<u>-</u>	<u>3,663</u>
Total of funds	<u><u>167,136</u></u>	<u><u>78,580</u></u>	<u><u>(103,734)</u></u>	<u><u>-</u></u>	<u><u>141,982</u></u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds					
City Gates Congregation	171,054	86,787	(70,842)	(23,526)	163,473
Mission support	-	-	(9,300)	9,300	-
Living Room café (including GLO and GDM)	-	9,350	(23,576)	14,226	-
	<u>171,054</u>	<u>96,137</u>	<u>(103,718)</u>	<u>-</u>	<u>163,473</u>
Restricted funds					
Community outreach	3,532	-	-	-	3,532
Designated gifts	150	1,345	(1,364)	-	131
Living Room café (including GLO and GDM)	-	-	-	-	-
Weekend Away	-	-	-	-	-
	<u>3,682</u>	<u>1,345</u>	<u>(1,364)</u>	<u>-</u>	<u>3,663</u>
Total of funds	<u>174,736</u>	<u>97,482</u>	<u>(105,082)</u>	<u>-</u>	<u>167,136</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

22. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
General funds	163,473	75,349	(100,503)	-	139,319
Restricted funds	3,663	3,231	(3,231)	-	3,663
	<u>167,136</u>	<u>78,580</u>	<u>(103,734)</u>	<u>-</u>	<u>141,982</u>

Summary of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
General funds	171,054	96,137	(103,718)	-	163,473
Restricted funds	3,682	1,345	(1,364)	-	3,663
	<u>174,736</u>	<u>97,482</u>	<u>(105,082)</u>	<u>-</u>	<u>167,136</u>

CITY GATES CHURCH

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2	-	2
Current assets	141,769	3,663	145,432
Creditors due within one year	(3,452)	-	(3,452)
Total	<u><u>138,319</u></u>	<u><u>3,663</u></u>	<u><u>141,982</u></u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	196	-	196
Current assets	166,287	3,663	169,950
Creditors due within one year	(3,010)	-	(3,010)
Total	<u><u>163,473</u></u>	<u><u>3,663</u></u>	<u><u>167,136</u></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 £62 (2022 - £301) and £Nil 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 2023

25. Operating lease commitments

At 31 August 2023 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	4,833	14,500
Later than 1 year and not later than 5 years	-	4,833
	<u>4,833</u>	<u>19,333</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. Turn Trust made donations to City Gates Church of £3,750 during the year (2022: £10,312)

	Expenditure 2023 £	Expenditure 2022 £
Turn Trust - Living Room Café	-	-
	<u>-</u>	<u>-</u>

Trustee donations during the year amounted to £11,240 (2022: £7,340) (three trustees both years).

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.












CGC - Final Accounts (2023) v1-2 for signing

Final Audit Report

2024-05-24

Created:	2024-05-24
By:	James Lambden (james.lambden@hotmail.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAumdVUDqsO5EDqziHWfwy3oJ_0e8LRoRI

"CGC - Final Accounts (2023) v1-2 for signing" History

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