

**CITIFAITH CHURCH
A COMPANY LIMITED BY GURANTEE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2021**



**CITIFAITH INTERNATIONAL CHURCH
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY NO. 05185527

CHARITY REGISTRATION NO. 1112463

CITIFAITH CHURCH
A COMPANY LIMITED BY GUARANTEE

CHURCH'S LEGAL AND ADMINISTRATIVE INFORMATION

Directors / Trustees:	Mrs Lesley Everson (Chairperson) Mr Sean Leask Mr Wisdom Deffor Mrs Oludolapo Mohammed Mr Amon Bandera
Operational Leadership Team:	Lesley Everson – Senior Pastor Lucy Edwards – Associate Pastor Wisdom Deffor – Secretary Amon Bandera – Treasury & Finance
Charity number:	1106273
Company number:	05124435
Principal office:	38 - 40 Regent Street Swindon Wiltshire SN1 1JL
Independent Examiner:	Grant Accountants Limited Chartered Certified Accountants 7 Glenrosa Road Reading RG30 6AN
Bankers:	National Westminster Bank PLC 24-30 The Parade Swindon Wiltshire SN1 1BA

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CITIFAITH CHURCH
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 JULY 2021

The directors of the charitable company (the charity) are its trustees for the purpose of the charity law and throughout this report are collectively referred to as its trustees.

The trustees present their report along with the financial statements of the charity for the year ended 31 July 2021. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and comply with the charities Memorandum and Articles of Association and the Charities Act 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Citifaith church is a charitable company limited by guarantee, which was incorporated on 21st July 2004 and registered as a charity on the 8 December 2005. The company was established under a Memorandum of Association which established the objectives and the powers of the charitable company and it's governed by its Articles of Association, which was amended by a special resolution dated the 29th May 2013. In the event of the company being wound up, the members are required to contribute an amount not exceeding £10.00 towards the winding down cost.

The directors of the company are also the charity's trustees for the purpose of charity law and under the company's Articles they are also known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the senior Pastor and other directors/trustees may remain in office until they resign or are deemed unfit to hold office by a majority of the members.

The directors are responsible for making decisions on all key operational and compliance matters of general concern and importance to the church including deciding and approving on how the funds of the church are sourced and applied.

Appointment, Training and Meetings of Trustees

The names of the trustees who have served the charity during the year and those appointed since the year end are set out on the legal and administrative information page. Trustees are appointed by the board and each year one third retires by rotation and either new trustee is identified, or previous serving trustees are reappointed.

Existing and newly appointed trustees are offered either internal or external training, depending on their experience and qualification. This is offered to support and help them to undertake their roles and responsibilities effectively.

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The board of trustees meet at least four times a year (quarterly). The trustees ensure that the charity's operations and activities comply with relevant regulations and legislations, remain solvent, managed effectively and continue to deliver charitable outcomes for the benefit of the public. The Operational Leadership Team is responsible for the day-to-day running of the organisation, with an escalation to the trustees.

Risk Management

The trustees have continued to conduct a review of the major risks to which the church's activities and operations are exposed to during the year. A risk register established since 2004 has been kept up to date and reviewed at least annually. Where appropriate, systems or procedures have been established to mitigate the risks considered as outside the charity risk appetite. The trustees have working relationship with an external Health and Safety company, which assist with the management of the Health and Safety and risk in use of the building.

OBJECTIVES AND ACTIVITIES

Objectives

The charity's purposes as set out in the objectives contained in the company's memorandum of association are as follows:

- A. The advancement of the Christian faith in accordance with the doctrines set out in the underwritten First Schedule and worship of God in the UK, and elsewhere by any means whatsoever. Including (but not by way of limitation) the preaching and proclamation of the Christian gospel, the teaching of Christian doctrine and principles, the pastoral care of Christian people and the printing and distribution of the Bible and Christian literature including video and audio recordings by any media which is available or may become available.
- B. The relief of persons who are in conditions of need, hardship or distress, aged or sick.
- C. The advancement of education on the basis of Christian principles and, without prejudice to the generality of the foregoing, the provisions of such education in any educational establishments, and if the trustees so decided the provision of one or more charitable educational establishments for the education of children or adults on the basis of such Christian principles.

PUBLIC BENEFIT

When planning the church's activities for the year, the trustees and the Operational Leadership Team takes into account the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In this regard the church ensures that its annual activities' outcomes deliver public benefit.

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USE OF VOLUNTEERS

The trustees are grateful to the many volunteers who continually donate their time, money and talents to serve in the various areas of the church's activities. These areas include Praise & worship, Refreshments/gallery, Media, Live Streaming, Ushering/Security, Pastoral Care, Bible Men's Activities & Meeting, Women Activities & Meetings, Married Couples Workshops and Meetings, Training, Sunday Schools and Youth Activities & Meetings. Although the value of the efforts of our volunteers is not quantified in the accounts, the church would be unable to fulfil its objectives without the members' generous participation and voluntary contributions.

REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

The activities of the charity were affected by COVID19 from March 2020 and it's now starting to normalise. Regular weekdays and weekend meetings have now started to take place from the day the government's directives on social distances requirements were removed. Members' donations to the charity have now started to increase during this period. The charities meetings are now being held on its premises, although a few meetings are still done online via Zoom and the Sunday church services are still recorded live and posted to Facebook and YouTube.

Charity Objective (a)

These objectives are progressed through the various activities and departments in the life of the church, continuing to work increasingly within the community in which it is based. The church has not been able to run the outreach events and programs throughout the year, due to COVID.

This financial year has seen the starting of Sunday service meetings and other midweek groups' meetings. The advancement of the Christian faith in accordance with the doctrines set out therein. A limited initiatives started during the last financial year to advance the Christian faith. Ongoing leadership development training has been provided during the last financial year, including day training sessions and by providing relevant resources to leaders.

Prayer meetings have continued over the last year with weekly meetings, pre-service meetings and monthly meetings with some held online or via Zoom. The worship team has continued to see an increase in both singers and musicians and are focusing on developing the media side of their department. The worship leader is part of Swindon Worship Churches Together, which seeks to increase unity between different churches in the area. They also have plans to run worship events that bring people together.

The work with children and young people continues to develop with groups for different ages: Little Fishes (1-3yrs) Citikids (4-11yrs), CitiYth (11-18yrs) and Young Adults (18-30yrs). CitiYth have their own weekly meetings and services, many of the youth serve in church teams on Sundays. In the past year we have appointed two new Youth Leaders who are passionate to see young people grow in their faith.

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Charity Objective (b)

During the last financial year, Love Swindon (Citifaith's Community Programme) has continued to develop partnerships with other local charities and organisations to provide free services to the community. This includes quarterly Dementia Tea Parties and Pamper Parties working with Swindon Carers. Up to 70 people attend these events and they are run by teams of Citifaith Volunteers. Love Swindon are looking to further develop work with people living with Dementia by partnering with existing agencies so we can together enhance services and provide much needed support for the rising needs of our dementia community.

Charity Objective (c)

Citifaith International Church continues to develop and provide a community space, training facilities and rooms for meetings. Citifaith continues to build good relationships with local authorities developing greater partnership working in the community. The building continues to be used by other community, businesses and voluntary groups and is proving to be a useful resource for the wider community.

RESERVES POLICY

It is our policy to maintain a balance on unrestricted funds (if possible), which equates to at least three months unrestricted payments, equivalent to £45,000, to cover emergency situations that may arise from time to time. The need for the charity to hold less in reserves is due to the fact that it only employs two full time and one part time employees and the building is leased and running costs are not very high.

The most likely reason to call on the reserves would be if attendance and giving were to diminish significantly due to loss of members. It is the charity's policy to monitor growth statistics carefully and should growth fall significantly then measures would be taken to minimise the funding and liquidity risk.

FINANCIAL REVIEW

Income

Total income including both restricted and unrestricted received in 2020/21 was £196,266 (2019/20 was £198,060) this is a small decrease of 1.0% over last year's income.

The charity's main income stream is from tithes and offerings donated by the church members and regular attendees. In 2020/21 unrestricted tithes and offerings received was £181,969 (2019/20 was £172,865) and this increased by 5.2%.

Restricted offerings and donations for 2020/21 were £14,297 (2019/20 were £24,693), there was a decrease of £10,396 which is 42%, and this was due to a reduction in the building fund donations from members. The income figure above includes £33,862 of income tax repayments from the HMRC and this constitute 17.3% of total income received (2019/20 it was 15.3% of total income).

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Expenditure

The expenditure for the year 2020/21 totalled £174,010 (2019/20 was £185,209) and this was a decrease of 6.4%.

Expenditure for the furtherance of the charity's objectives for 2020/21 was £96,788 (2019/20 was £98,130) a decrease of 1.4%, while the management and administration costs totalled £77,222 compared to £87,079 in 2019/20, which is an increase of 12.8%.

During the year 2020/21 salaries accounted for 50.5% of total expenditure, while in 2019/20 it was 44.5%. The charity currently employs two full time employees on ministry-based positions and one part time employee.

This Trustees' Annual Report and the Financial Statements was approved by the Board of Trustees in a meeting held on:

Day & Date: *Thursday, 20th April 2022*

AND

Signed on their behalf by:

LESLEY EVERSON
Chairperson & Senior Pastor
Citifaith Church

CITIFAITH CHURCH
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CITIFAITH CHURCH
INDEPENDENT EXAMINERS REPORT
FOR THE YEAR ENDED 31 JULY 2021

I report on the accounts of the company for the year ended 31 July 2021 which are set out on the pages 10 to 18.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE INDEPENDENT EXAMINER

The trustees (who are also the company's directors for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is preferred. The charity's gross income is less than £250,000. I am nevertheless qualified to undertake the examination by being a qualified member of the Association of Chartered & Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- Follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- State whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- I. which gives me reasonable cause to believe that in any material respect the requirements:
 - a. To keep accounting records in accordance with section 41 of the Act; and
 - b. To prepare accounts which accord with the accounting records and to comply with the accounting requirement of the Act.
- II. Have not been met or
- III. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED
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THE INCOME STATEMENT

		Unrestricted Funds 2020 - 21	Restricted Funds 2020 - 21	Total Funds 2020 - 21	Total Funds 2019 - 20
	<u>Note</u>	£	£	£	£
INCOME FROM:					
Voluntary sources	2	£181,889	£14,297	£196,186	£197,558
Income from charitable trading activities:		£0	£0	£0	£0
Other incoming resources	3	£80	£0	£80	£502
Charitable trading sales		£0	£0	£0	£0
TOTAL INCOMING RESOURCES		£181,969	£14,297	£196,266	£198,060
RESOURCES EXPENDED					
Charitable activities	4	£95,712	£1,076	£96,788	£98,130
Management and administration	5	£77,222	£0	£77,222	£87,079
TOTAL RESOURCES EXPENDED	6	£172,934	£1,076	£174,010	£185,209
SURPLUS/(DEFICIT) FOR THE		£9,035	£13,221	£22,256	£12,851
Balances brought forward		£73,191	£18,464	£91,655	£73,191
Balances carried forward		£82,226	£31,685	£113,911	£86,042

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THE BALANCE SHEET AS AT 31 JULY 2021

	Notes	2020 - 21 £	2019 - 20 £
FIXED ASSETS			
Tangible assets	8	£103,562	£106,512
CURRENT ASSETS			
Cash at bank	9	£81,356	£23,264
Debtors	10	£954	£0
		£82,310	£23,264
CREDITORS: Amounts falling due within one year	11	£42,348	£11,734
NET CURRENT ASSETS		£39,962	£11,530
TOTAL ASSETS LESS CURRENT LIABILITIES		£143,524	£118,042
CREDITORS: Amounts falling due after more than one year	12	£29,613	£32,000
NET ASSETS		£113,911	£86,042
FUNDS			
Unrestricted	13	£38,657	£73,285
Restricted		£75,254	£12,757
TOTAL FUNDS		£113,911	£86,042

For the year ended 31 July 2021, the company was entitled to exemption under Section 249 a (1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 249 b (2). The directors acknowledge their responsibility for:

- I. Ensuring the company keeps accounting records which comply with Section 221; and
- II. Preparing accounts which give a true and fair view of the state of affairs of the company as at 31 July 2021 and of its profit and loss for the financial year in accordance with Section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the company.

CITIFAITH CHURCH
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STATEMENT OF FINANCIAL ACTIVITIES
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1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation, uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102, Section 1A Small Entities – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

b) Preparation of the accounts on a going concern basis

The trustees are of the view that whilst the level of weekly collections at church services remain uncertain, average collections remain fairly stable as is church attendance and with increased effort on hiring of the church hall, total income for the next 12 – 18 months should be sufficient to cover operating costs for the same period. On this basis, the assessment of the trustees is that the charity is a going concern.

c) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The church and any of its departments have entitlement to the funds;
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the church;
- There is sufficient certainty that receipt of the income is considered probable and
- The amount can be measured reliably

d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the church. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the church's work or for specific projects being undertaken by the church.

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e) Expenditure

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

2. VOLUNTARY SOURCES

	Unrestricted Funds 2020 - 21	Restricted Funds 2020 - 21	Total Funds 2020 - 21	Total Funds 2019 - 20
	£	£	£	£
Donations tithes and Offerings	£148,027	£0	£148,027	£142,644
Love Offerings	£0	£700	£700	£3,656
Local Missions	£0	£308	£308	£807
Missions	£0	£0	£0	£0
Events and Conferences	£0	£1,959	£1,959	£4,556
Tax Recovered	£33,862	£0	£33,862	£30,221
Building Funds	£0	£11,330	£11,330	£15,674
	£181,889	£14,297	£196,186	£197,558

3. OTHER INCOMING RESOURCES

	Unrestricted Funds 2020 - 21	Restricted Funds 2020 - 21	Total Funds 2020 - 21	Total Funds 2019 - 20
	£	£	£	£
Hall Hire	£0	£0	£0	£0
Sales - water and others	£80	£0	£80	£502
	£80	£0	£80	£502
Summary of income:				
Voluntary resources	£181,889	£14,297	£196,186	£197,558
Other income resources	£80	£0	£80	£502
	£181,969	£14,297	£196,266	£198,060

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4. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds 2020 - 21 £	Restricted Funds 2020 - 21 £	Total Funds 2020 - 21 £	Total Funds 2019 - 20 £
<u>Provision of charitable services:</u>				
Other - Charitable	£56,132	£0	£56,132	£58,257
Events and Conferences - Expenses	£1,772	£0	£1,772	£5,930
Guest speaker	£0	£650	£650	£4,638
Lease payments	£36,000	£0	£36,000	£26,531
Local Missions & Social needs	£0	£426	£426	£915
Outreach & Missions	£1,808	£0	£1,808	£1,859
Tax and N.I. Arrears - Charitable Services	£0	£0	£0	£0
	£95,712	£1,076	£96,788	£98,130

5. MANAGEMENT AND ADMINISTRATION COSTS

	Unrestricted Funds 2020 - 21 £	Restricted Funds 2020 - 21 £	Total Funds 2020 - 21 £	Total Funds 2019 - 20 £
Salaries	£31,725	£0	£31,725	£35,592
Office costs	£35,698	£0	£35,698	£34,809
Accountancy fees	£0	£0	£0	£0
Legal and professional	£1,077	£0	£1,077	£2,742
Depreciation	£6,236	£0	£6,236	£6,529
Interest and Charges payable	£2,486	£0	£2,486	£3,794
Other	£0	£0	£0	£3,613
Tax and N.I. Arrears - Others	£0	£0	£0	£0
	£77,222	£0	£77,222	£87,079

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6. TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	Total Funds	Total Funds
	2020 - 21	2020 - 21	2020 - 21	2019 - 20
	£	£	£	£
Direct charitable expenditure	£56,132	£40,656	£96,788	£98,130
Management and administration	£31,725	£45,497	£77,222	£87,079
	£87,857	£86,153	£174,010	£185,209

7. PARTICULARS OF EMPLOYEES

The average number of full time and part time staff employed by the charity during the financial year 2020 – 21 has remained at three (2019 – 20 it was also 3). Only one member of staff received a remuneration in excess of £45,000 per annum.

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8. TANGIBLE FIXED ASSETS

	Office Furniture & Equipment	Fixtures & Fittings	Leasehold Property Improvements	Total 2020 - 21	Total 2019 - 20
	£	£	£	£	£
<u>Cost</u>					
Cost as at 1 August 2020	£65,729	£184,825	£35,000	£285,554	£277,420
New additions	£3,285	£0	£0	£3,285	£8,134
Cost as at 31 July 2021	£69,014	£184,825	£35,000	£288,839	£285,554
<u>Depreciation</u>					
Accumulated depreciation as at 1 August 2020	£32,658	£115,856	£30,692	£179,206	£172,513
Depreciation charge for the year	£1,818	£3,176	£1,077	£6,071	£6,529
Accumulated Depreciation at 31 July 2021	£34,476	£119,032	£31,769	£185,277	£179,042
<u>NET BOOK VALUE</u>					
Net Book Value at 31 July 2021	£34,538	£65,793	£3,231	£103,562	
Net Book Value at 31 July 2020	£33,071	£69,133	£4,308	£106,512	

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9. CURRENT ASSETS: Bank balances

	2020 - 21	2019 - 20
Bank Balances	£	£
Savings Account	£75,254	£12,757
Current Account	£6,102	£10,507
	£81,356	£23,264

10. DEBTORS: Amount falling due within one year

	2020 - 21	2019 - 20
	£	£
Aviva - Pension overpayments	£954	£0
	£0	£0
	£954	£0

11. CREDITORS: Amount falling due within one year

	2020 - 21	2019 - 20
	£	£
Taxes and social security	£5,120	£383
Accruals - Rentals	£37,228	£6,228
	£42,348	£6,611

12. CREDITORS: Amount falling due after more than one year

	2020 - 21	2019 - 20
Sundry loans	£	£
Bank loans	£29,613	£32,000
Other loans	£0	£0
	£29,613	£32,000

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13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2020 - 21 £	Restricted Funds 2020 - 21 £	Total Funds 2020 - 21 £	Total Funds 2019 - 20 £
Tangible fixed assets	£103,562	£0	£103,562	£106,512
PLUS: Current assets	£7,056	£75,254	£82,310	£23,264
LESS: Creditors	£71,961	£0	£71,961	£43,734
	£38,657	£75,254	£113,911	£86,042