

**CITIFAITH CHURCH
A COMPANY LIMITED BY GURANTEE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2022**



CITIFAITH INTERNATIONAL CHURCH

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
Mr Amon Bandera
Mr Wisdom Deffor
Mrs Oludolapo Mohammed

Operational Leadership Team:

Lesley Everson – Senior Pastor
Wisdom Deffor – Secretary
Amon Bandera – Treasury & Finance
Lucy Edwards – Associate Pastor

Charity number:

1106273

Company number:

05124435

Principal office:

38 - 40 Regent Street
Swindon
Wiltshire
SN1 1JL

Bankers:

National Westminster Bank PLC
24-30 The Parade
Swindon
Wiltshire
SN1 1BA

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CITIFAITH CHURCH

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CITIFAITH CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 JULY 2022

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 Citifaith Church trustees present their report along with the financial statements of the charity for the year ended 31 July 2022. 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 trustees are 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 and fulfil their roles and responsibilities effectively.

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TRUSTEES' ANNUAL REPORT

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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 charity, with an escalation to the trustees where necessary and required.

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 risks in using 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 the worship team, the gallery, media team, ushers, and pastoral care, and Bible training, children and youth departments. Although the value of the efforts of our volunteers is not quantified in the accounts, the church would be unable to fulfil our objectives without the members' participation and voluntary contributions.

REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

The activities of the charity have now returned back to normal, following the impact of COVID19 in March 2020. Regular weekdays and weekend meetings are now in full swing to meet the public and members' needs. Members' donations to the charity have now started to increase, however due to inflation expenses have gone up. The charity's meetings are now all back to face to face including the main Sunday church services which continue to be recorded 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 continues to run outreach events and programs throughout the year. Employing both church staff and volunteers to provide practical help to charity organisations opening and capitalising on opportunities to evangelise.

The last financial year has seen an increase in church attendance in our Sunday services and other midweek groups. The advancement of the Christian faith in accordance with the doctrines set out therein. Various initiatives have continued 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. 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 had successful worship events during the year and have plans to increase these worship events that bring people from all over Swindon 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.

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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 regular garden and house renovation projects in partnership with Safe Families. This provides support for families in Swindon who are referred by local government.

Charity Objective (c)

Citifaith Church 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 full part time employees and the building is leased and the running costs are considered as reasonable.

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 2021/22 was £254,543 (2020/21 was £196,266) this is an increase of 29.7% 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 2021/22 unrestricted tithes and offerings received was £185,854 (2020/21 was £148,027) and this has increased by 25.5%.

Restricted offerings and donations for 2020/22 were £28,295 (2020/21 were £14,297) and this is an increase of 97.9% and it was driven by members' donations to the Building Fund.

The income figure above includes £38,528 of income tax repayments from the HMRC and this constitute 15.4% of total income received.

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Expenditure

The expenditure for the year 2021/22 totalled £224,871 (2020/21 was £174,010) and this was an increase of 29.2%, which is attributed to inflation and cost of living challenges.

Expenditure for the furtherance of the charity's objectives for 2021/22 was £112,243 (2020/21 was £96,788) an increase of 15.9%, while the management and administration costs totalled £112,623 compared to £77,222 in 2020/21 which is an increase of 45.8%.

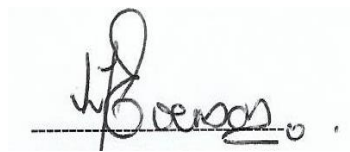
During the year 2021/22 salaries accounted for 42.1% of total expenditure, while in 2020/21 it was 50.4%. The charity currently employs two full time employees on ministry-based positions, one on administration and another part time employee.

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

Date: Thursday, 27 April 2023

and

Signed on their behalf by:



LESLEY EVERSON
Chairperson & Senior Pastor
Citifaith Church

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STATEMENT OF FINANCIAL ACTIVITIES
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THE INCOME STATEMENT

		Unrestricted Funds 2021 - 22	Restricted Funds 2021 - 22	Total Funds 2021 - 22	Total Funds 2020 - 21
	<u>Note</u>	£	£	£	£
INCOME FROM:					
Voluntary sources	2	£224,382	£28,295	£252,677	£196,186
Income from charitable trading activities:		£0	£0	£0	£0
Other incoming resources	3	£1,866	£0	£1,866	£80
Charitable trading sales		£0	£0	£0	£0
TOTAL INCOMING RESOURCES		£226,247	£28,295	£254,543	£196,266
RESOURCES EXPENDED					
Charitable activities	4	£106,068	£6,175	£112,243	£96,788
Management and administration	5	£112,628	£0	£112,628	£77,222
TOTAL RESOURCES EXPENDED	6	£218,696	£6,175	£224,871	£174,010
SURPLUS/(DEFICIT) FOR THE YEAR		£7,551	£22,121	£29,672	£22,256
Balances brought forward - 1 Aug 2021		£82,226	£31,685	£113,911	£86,042
Balances carried forward - 31 July 2022		£89,777	£53,806	£143,583	£108,298

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THE BALANCE SHEET AS AT 31 JULY 2022

	Notes	2021 - 22 £	2020 - 21 £
FIXED ASSETS			
Tangible assets	7	£98,825	£103,562
CURRENT ASSETS			
Cash at bank	8	£67,208	£81,356
Debtors	9	£4,474	£954
		£71,681	£82,310
CREDITORS: Amounts falling due within one year	10	£5,614	£42,348
NET CURRENT ASSETS		£66,068	£39,962
TOTAL ASSETS LESS CURRENT LIABILITIES		£164,893	£143,524
CREDITORS: Amounts falling due after more than one year	11	£21,310	£29,613
NET ASSETS		£143,583	£113,911
FUNDS			
Unrestricted	12	£143,583	£113,911
Restricted		£0	£0
TOTAL FUNDS		£143,583	£113,911

For the year ended 31 July 2020, 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 2018 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.

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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 2021 - 22	Restricted Funds 2021 - 22	Total Funds 2020 - 22	Total Funds 2020 - 21
	£	£	£	£
Donations tithes and Offerings	£185,854	£0	£185,854	£148,027
Love Offerings	£0	£2,851	£2,851	£700
Local Missions	£0	£503	£503	£308
Missions	£0	£0	£0	£0
Events and Conferences	£0	£5,689	£5,689	£1,959
Tax Recovered	£38,528	£0	£38,528	£33,862
Building Funds	£0	£19,252	£19,252	£11,330
	£224,382	£28,295	£252,677	£196,186

3. OTHER INCOMING RESOURCES

	Unrestricted Funds 2021 - 22	Restricted Funds 2021 - 22	Total Funds 2020 - 22	Total Funds 2020 - 21
	£	£	£	£
Interest earned	£38	£0	£38	£0
Sales - water and others	£1,827	£0	£1,827	£80
	£1,866	£0	£1,866	£80
Summary of income:				
Voluntary resources	£224,382	£28,295	£252,677	£196,186
Other income resources	£1,866	£0	£1,866	£80
	£226,247	£28,295	£254,543	£196,266

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4. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds 2021 - 22 £	Restricted Funds 2021 - 22 £	Total Funds 2020 - 22 £	Total Funds 2020 - 21 £
<u>Provision of charitable services:</u>				
Other - Charitable	£56,136	£0	£56,136	£56,132
Events and Conferences - Expenses	£12,097	£0	£12,097	£1,772
Guest speaker	£0	£4,865	£4,865	£650
Lease payments	£33,000	£0	£33,000	£36,000
Local Missions & Social needs	£0	£1,310	£1,310	£426
Outreach & Missions	£4,835	£0	£4,835	£1,808
Tax and N.I. Arrears - Charitable Services	£0	£0	£0	£0
	£106,068	£6,175	£112,243	£96,788

5. MANAGEMENT AND ADMINISTRATION COSTS

	Unrestricted Funds 2021 - 22 £	Restricted Funds 2021 - 22 £	Total Funds 2020 - 22 £	Total Funds 2020 - 21 £
Salaries	£38,612	£0	£38,612	£31,725
Office costs	£28,894	£0	£28,894	£35,698
Accountancy fees	£0	£0	£0	£0
Legal and professional	£2,981	£0	£2,981	£1,077
Depreciation	£5,595	£0	£5,595	£6,236
Maintenance and repairs	£15,218	£0	£15,218	£2,486
Gas & electricity	£15,781	£0	£15,781	£0
Tax and N.I. Arrears - Others	£5,547	£0	£5,547	£0
	£112,628	£0	£112,628	£77,222

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6. TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	Total Funds	Total Funds
	2021 - 22	2021 - 22	2020 - 22	2020 - 21
	£	£	£	£
Direct charitable expenditure	£56,136	£56,107	£112,243	£96,788
Management and administration	£38,612	£74,016	£112,628	£77,222
	£94,748	£130,123	£224,871	£174,010

7. PARTICULARS OF EMPLOYEES

The average number of full time and part time staff employed by the church during the financial year 2021/22 increased to four (2020/21 was 3). Only one member of staff received a remuneration in excess of £40,000 per annum.

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7. TANGIBLE FIXED ASSETS

	Equipment	Fixtures & Fittings	Leasehold Property Improvements	Total 2021 - 22	Total 2020 - 21
	£	£	£	£	£
<u>Cost</u>					
Cost as at 1 August 2021	£69,014	£184,825	£35,000	£288,839	£285,554
New additions	£858	£0	£0	£858	£3,285
Cost as at 31 July 2022	£69,872	£184,825	£35,000	£289,697	£288,839
<u>Depreciation</u>					
Accumulated depreciation as at 1 August 2021	£34,476	£119,032	£31,769	£185,277	£179,206
Depreciation charge for the year	£1,770	£3,017	£808	£5,595	£6,071
Accumulated Depreciation at 31 July 2022	£36,246	£122,049	£32,577	£190,872	£185,277
<u>NET BOOK VALUE</u>					
Net Book Value at 31 July 2022	£33,626	£62,776	£2,423	£98,825	
Net Book Value at 31 July 2021	£34,538	£65,793	£3,231	£103,562	

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8. BANK BALANCES: Bank Deposits and Current Account

	2021 - 22	2020 - 21
<u>Bank Balances</u>	£	£
Savings Account	£51,839	£75,254
Current Account	£15,369	£6,102
	£67,208	£81,356

9. DEBTORS: Amount falling due within one year

	2021 - 22	2020 - 21
	£	£
Pension Fund - Prepayments	£594	£954
Rentals - Paid in advance	£3,880	£0
	£4,474	£954

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

	2021 - 22	2020 - 21
	£	£
Taxes and social security	£5,614	£5,120
Accruals - Rentals	£0	£37,228
	£5,614	£42,348

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

	2020 - 22	2020 - 21
<u>Sundry loans</u>	£	£
Bank loans	£21,310	£29,613
Other loans	£0	£0
	£21,310	£29,613

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total Funds 2021 - 22	Total Funds 2020 - 21
	£	£
Tangible fixed assets	£98,825	£103,562
PLUS: Current assets	£71,681	£82,310
LESS: Creditors	£26,923	£71,961
	£143,583	£113,911