

Company registration No. 06057378 (England & Wales)
Charity No. 1119350

Crossgate Church Ltd
Company Limited by Guarantee

Report and Financial Statements

For The Year Ended 31 December 2020

CROSSGATE CHURCH LTD
TRUSTEES REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

Contents

	Page
Charity Reference and Administrative Details	1
Trustees' Annual Report	2 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 24

CROSSGATE CHURCH LTD

CHARITY REFERENCE & ADMINISTRATIVE DETAILS

YEAR ENDED 31 DECEMBER 2020

Registered charity name Crossgate Church Ltd

Charity registration number 1119350

Company registration number 06057378

Registered office The Benchmark
25 Ribbleton Street
Preston
Lancashire
PR1 5BA

Trustees

Mr W J Bagley	Resigned 29 July 2020
Mrs D Mayers	Resigned 29 July 2020
Mrs J A Auta	Resigned 2 November 2020
Mr J L Bowen	
Mr M Saville	Resigned 20 January 2020
Mr S Barratt	Appointed 21 June 2020 and resigned 14 July 2021
Mr A Gardner	Appointed 21 June 2020
Mr R G Awde	Appointed 14 July 2021
Mr I K Ferguson	Appointed 14 July 2021

Secretary Mr J L Bowen

Key Management personnel Mr R Farrington (Senior Pastor)
Mr B Farrington (Pastor)
Mr J Wright (Pastor)

Independent examiner UHY Hacker Young Manchester LLP
Chartered Accountants
St James Building
79 Oxford Street
Manchester
M1 6HT

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

The Trustees of the Charity, who are also Directors of the Company for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2020.

Objectives and activities

The Charity exists in order to demonstrate the love of God in word and action, provide worship facilities to the membership and wider congregation and to provide fellowship and support for each other.

The Charity's vision is: To make fully devoted followers of Jesus Christ and the Charity hopes to achieve this through a biblically based purpose centred on two passages, Mark 12:30-31 and Matthew 28:19-20 (Jesus' Great Commandment and Great Commission) which describe loving God, loving your neighbour, making disciples and teaching Jesus' commandments. Crossgate Church summarises this purpose with the phrase:

To be a Christ Centred Community, Loving People Transforming Lives

This purpose encompasses and encourages the Charity's activities both internally and externally. The Charity continues to teach and demonstrate the love of God in Preston, offer multiple worship services throughout the week and provide both spiritual and tangible support for membership and the wider public. Simultaneously it extends its charitable work to meet a variety of social, spiritual and economic needs in the community, regardless of background, race or creed whilst keeping Jesus at the centre with the belief that it is not charitable action making a difference in their life but His transforming power.

The strategies we employ to fulfil our aims and objectives can be classified into two broad areas; looking inwards and looking outwards.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Looking Inwards

Sunday morning services are at the heart of Crossgate's ministry and offer a place where everybody can connect spiritually and meet with God through bible-based teaching, vibrant, modern and energetic worship and prayer. After a successful trial period at the end of 2019, the start of 2020 continued with 2 services each Sunday morning. This meant that Crossgate first met at 9:30am each Sunday, with a second, identical, service at 11:30am. Despite having challenges practically in terms of volunteer numbers and getting timings right this has continued to be successful for Crossgate, allowing more people to enjoy Sunday morning services and engage with the Church on a weekly basis. Each Sunday the congregation are encouraged to share and pray for each other in a safe environment, offering support and encouragement to each other. There is also a practical element where visitors and guests can be introduced to the church via the 'Info Point' which keeps track of guest numbers and encourages sign ups to small groups which happen during the week in various guises. We believe that strong small groups are the foundation to a healthy church and seek to encourage community through small groups, as a growing church we are aware that this can often lead to isolation and people feeling left out, small groups are a way to combat this and strengthen community.

Sunday Services offer programmes for all ages with our Kids Church and Axis programmes held weekly for toddlers up to high school ages. There is also a parent and child room with comfortable seating, toys and a TV with live video stream of the main service for parents with younger babies. Sunday evening sees the main auditorium transformed for the Youth service 'Element' which hosts appropriate teaching and worship for 11-18 year olds. The Youth also have regular 'hangouts' which are casual events and an opportunity for young people to meet and engage with each other on a social level at various locations – such as cinema trips, movie nights and attending other local events.

Although Sunday morning is the busiest service attended, there are a number of classes and courses running throughout the week. Faith and evangelistic based courses such as Alpha and Christian Essentials support the charity's vision in making fully devoted followers of Jesus Christ. Simultaneously there are over 30 'small groups' which meet throughout the week at various locations for numerous purposes, often with a practical aspect, hobby or theme.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

Crossgate also puts on a meal on the first Sunday of every month. This is for anyone who wants to come and is held immediately after the Sunday Service, tickets are only £5 which includes a main course, dessert, and drinks. These are hugely popular and are a way not only for a congregation to spend time with friends but also to meet and engage with new people outside their usual social circles. This is particularly important for lonely members of our church who value the time spent with them and it has become a regular event in the calendar for many, especially from the older generations.

Most of the above was only possible for the first 3 months of 2020 as we were then faced by the global pandemic, Covid 19. This obviously had a major impact on the church and the whole community and significantly affected Crossgate with its plans for the year. However, this presented a new opportunity to reach people in a different way and it was incredible seeing God's hand on His church and the city of Preston during this time. The first lockdown began on 23rd March 21 so we were no longer able to meet together as a church from this date, but this was also the start of our online church. Crossgate had been reviewing and considering starting an online church for approximately 18 months, prior to Covid, but the finances and resources were never available to pursue this, however, following the countries lock down, Crossgate immediately made the arrangements to implement online church services straight away and streamed the first service on Sunday 20th March.

This was hugely successful throughout 2020. There were some minor hiccups in the start and additional equipment was required to ensure Crossgate were able to provide a professional and high-quality service, this was costly, but members donated the finances required.

Throughout lockdown Crossgate's main areas of focus was communication, community and care. 16 hubs were formed across the community, members of the church volunteered to lead a hub in their area and became responsible for communications with the members of their hub. Crossgate encouraged regular interactions within the hubs to ensure communication, community and care was maintained for all throughout the period. Crossgate also prepared meals for vulnerable members of the church and the community to support during this time. This continued each week throughout 2020 and basic groceries were also donated to those who needed as well as the meals. On average over 200 meals were prepared and 25 bags of groceries were delivered per week and over 8,800 meals were prepared and delivered throughout 2020. When the hub leaders dropped off the meals, they would stop and communicate, support and encourage the recipient from a safe distance. For many recipients, and many volunteers, this was the only weekly interaction, and this became a real lifeline for many people in our community as we journeyed through a strange and unprecedented period of time together. This is just one example of how members of our church stepped up to serve God by serving our community during this period, and we saw lives changed through these interactions.

The church re-opened briefly in 2020 before closing for the second lockdown and then re-opened again in December 2020 in line with Government guidance. Significant restrictions and limitations were put in place to ensure everyone remained safe whilst in the building. We were blown away by the success of the online services and identified it allowed many more people to engage with our Sunday morning services in praise and worship from all over the world than was previously possible. For instance, prior to Covid, we would typically have 300-500 attendees across the two services, however, during lockdown we regularly had around 300 online viewers and over 1000 Youtube viewers. On Sunday 26th April for instance, the online service was attended by 377 live stream viewers, followed by 3,200 viewers via Youtube on catch up. The online church services were then considered as a new ministry that must continue in to the future, therefore, we made arrangements to ensure the recording and live streaming would continue and be conducted at the same time as in person services.

The return of in person services brought a time of much needed relief, peace and interaction for many of our members and it was incredible to be together again as a community. As numbers were very limited, members had to sign up online to attend, which grew and restrictions were reduced and our policies improved. Both the in person service and the online service continued to be a great success throughout 2020.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

Looking Outwards

Crossgate is still dedicated to the ongoing building programme within 'Landmark' however this has not changed the aim of Crossgate in meeting the needs of the world around us and there are continual opportunities to do so.

Crossgate's sister charity, Serve Our Community, was rebranded and named 'Crossgate Hope' in October 2018 to greater emphasise the relationship between the two charities and this has been widely regarded as a successful and meaningful change, strengthening the dynamic between both charities and allowing members to have a more conscious awareness of the work done outside the Church.

We work closely with 3 local prisons in a number of ways. Practically HMP Preston use Landmark and Benchmark for probation training for prisoners, as well as other training purposes. We also have a small number of prisoners helping with our community work from HMP Kirkham. Crossgate has a team of volunteers who support the existing chaplaincy team in HMP Wymott. The Volunteers from Kirkham work in the Charity Shop, midweek on Church projects and also occasionally on a Sunday morning (setting up chairs, preparing food for the monthly meal etc).

Our Youth team was restructured late in 2019 and Crossgate has split the Youth Ministry into age groups with an appropriate worker for each department. Although a big change in stepping away from an organisation that has supported Crossgate in the past, PAIS, it was felt that this was the right move to ensure the accountability and ownership of the future of the Youth Ministry instead of depending on different volunteers on an annual cycle. The Youth Team supports local schools, speaking in RE classes and assemblies as well as attending lunch clubs, Christian Unions and small groups. 2019 also saw the addition of a Student Ministry set up to serve the students of UCLan University. Sadly, this was massively restricted by Covid, instead, all interactions, were online based using Zoom or WhatsApp. As the student's ministry was only just started, it was very difficult to get this off the ground with online interaction only. We also saw a significant reduction in our committed youth during this season as the lock down restrictions made interactions very difficult.

Crossgate worked closely with HopeBags, an initiative set up by a young member of the church which hands out reusable bags full of essential items (toothbrush, foil blanket, wipes, tissues, energy snacks, water, socks etc) to the homeless and those less fortunate. All of these activities aim to address the unmet needs of the different people we meet through person-centred services. Our aim is to make a powerful change in people's lives and impact them to make a lasting difference. The family who set up HopeBags moved on from Crossgate in October 2020 and the initiative was therefore closed at this time. Any donations that had been given to church for HopeBags was donated to a charity supporting homeless people at that time.

Our 'Lift' ministry collects and transports members to the Sunday morning/evening service and our midweek 'Seasons' programme who otherwise wouldn't be able to attend.

The Church coffee shop 'Redwood Coffee' which is located within Landmark was only open for the first 3 months of the year, but then this too had to close due to the pandemic. It is intended to remain open to the public and is of particular importance to HMP Preston who use it on a regular basis for visitors and family members.

In 2019 a large team of 14 visited and supported various projects of Open Arms Ministries in Kenya. This was planned again for 2020 but sadly this had to be cancelled due to Covid 19 and the subsequent travel restrictions.

The church works closely with other churches and organisations both locally and nationwide; the Senior Pastor, Ron Farrington, sits on the board of Churches Together in Lancashire and the Pastors are members of a UK Leadership Network that meets bi-annually.

Crossgate Church is blessed to be seen as a church of influence and significance and fully appreciates the opportunities that are offered to serve the local community and wider afield. This is particularly relevant within the immediate community and the relationship that has been developed with HMP Preston.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

Across the generations Crossgate Church is blessed to be able to be the 'hands and feet' of Jesus to those in need, whether it be close to home or overseas.

Achievements and performance

The continuation of Landmark's building and development work throughout the year has been the ongoing story for Crossgate Church. The gradual transformation from a garage and warehouse to a multi-functional place of worship continues to be a story of both encouragement and ambition for the future of the Church in Preston. This major project is overseen by a dedicated building team made up of industry experts and professionals. The venue serves both members of the Church and the local community with groups such as Slimming World, exercise groups and specific ministry areas.

The Charity continues to approach the building work phase-by-phase which means that much of the major construction work on the ground floor was completed in 2017 however it has taken until 2019 for the first floor, staircases and lift to be installed throughout the year and these were significant hurdles to cross both financially and practically.

The café area has increased its service for HMP Preston and operated as a visitor centre for families of inmates at the start of the year. Going forwards this is an area of development and growth once Covid 19 restrictions are lifted.

As the building work continues this is naturally a significant area of both fund raising and expenditure, most of which is funded by the membership of Crossgate Church through bi-annual 'Imagine Gift Days'. However, these gift days, were postponed in 2020 due to the pandemic.

Despite Covid 19, the day-to-day activities of the charity have continued wherever possible. Programmes, meetings and seminars have been run throughout the year using zoom.

The Global Leadership Summit was hosted by Crossgate, at landmark for the 3 years prior, however, this sadly had to be cancelled in 2020 due to the Covid 19 pandemic. This two-day leadership development event catered for church and secular business leaders from across the North West of England and is a global event that we are privileged to host as part of an ongoing relationship.

In December we had multiple Christmas events, our Christmas Celebration Services were once again a great success both online and in person. Sadly, we were not able to host our Carol Service in HMP Preston this year due to the pandemic restrictions but look forward to leading this service in the future. The church was involved in distributing Christmas assistance to over 200 households by way of food hampers, Christmas lunch, gift bags, white goods, and gifts to children to those known to us through CAP, the Community Hub, Inside out and also to those who were nominated through our partnerships with other organisations, social services and local schools.

Structure, governance and management

The Charity is controlled by its governing document, a Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Following a review of the governance structure of the Charity in 2015 the previously separate groups of Trustees and Elders were consolidated into a new, single 'Leadership Board' in March 2016. The purpose of this change was to improve communication, facilitate management efficiency and streamline decision making. The Board provides accountability and oversight for both the spiritual aspects and legal responsibilities of the charity.

Suitable candidates for new Trustees are identified and discussed by the current Trustees and Senior Pastor. Consensus is required on candidates to take forward before the appointment process proceeds further. A candidate evaluation and interview process then take place. Successful candidates are then announced to the Membership and, provided there are no objections, the new Trustees are formally appointed. If objections are raised, the Trustees will seek to clarify and endeavour to resolve the issue. However, should any doubt remain as to the integrity of the person in question, then approval will not be granted.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

New Trustees are required to sign a copy of the Charity 'Statement of Affirmation' confirming they have not been disqualified from acting as a Trustee, they have no criminal record and their personal financial affairs are above reproach. They are also given a copy of the latest available accounts, a copy of the Charity Commission publication 'The Essential Trustee - What You Need to Know' and a copy of the Memorandum and Articles of Association for information and reference.

Organisational structure

The day-to-day running of Crossgate Church is shouldered mainly by the Church Staff, under the leadership of the Senior Pastor and two Pastors (Senior Leadership Team), who have been equipped by the Trustees to carry out their duties within an agreed process. The Senior Pastor attends Trustees meetings and acts as intermediary between the Trustees and the Staff Team.

The three Pastors and the Leadership Board are ultimately responsible for the spiritual health of the Church and oversee the pastoral care of the Congregation. They constantly seek to determine God's will for Crossgate Church, in order that they may lead the Church forward both in vision and direction. Within this remit they also strive to empower and release key people within the various Ministries. Ministry Leaders are directly responsible to the Pastors, who meet on a weekly basis.

During 2020 there was an average of 15 staff receiving some level of remuneration from the church through the year.

Relationships between the charity and related parties

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or senior manager of the charity with a partner organisation or supplier must be disclosed to the Trustees in the same way as any other contractual relationship with a related party and this is acknowledged within the Conflict of Interest policy.

The Charity has a close relationship with Serve our Community (Crossgate Hope as of January 2019), a charity which shares the Christian foundation of the church and seeks to put this into practice by striving to meet the needs of people in the local community, regardless of their background, ethnicity, social status or beliefs. The two charities have common Trustees and work closely together.

Pay policy for senior staff

The Directors comprise the Board of Directors, who are the charity's Trustees, and the Senior Management Team comprise the key management personnel of the Charity, in charge of directing and controlling, running and operating the Charity on a day-to-day basis. The Senior Management Team comprises of Ron Farrington (Senior Pastor), Ben Farrington (Pastor) and Josh Wright (Pastor).

All Directors give their time freely and no Director received remuneration in the year.

The pay of the senior staff is reviewed annually. A salary framework for all roles within the church is in place. This has been benchmarked against pay levels in other similar organisations of comparable size. In addition to defining pay bandings for each role type this framework also provides a mechanism by which staff can be awarded pay increments in recognition of additional responsibilities.

Volunteers

The Trustees wish to place on record their undoubted appreciation of the tireless work carried out by volunteers on behalf of the Charity, without which the Church could not continue in its present form.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud irregularity and error.

Trustee approval is required for all significant items of expenditure. Receipts or invoices are required in support of payments and these are allocated against the appropriate cost centres in our accounting system to ensure that an audit trail is provided for all expenditure.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

Appropriate insurance cover is in place and is regularly reviewed to ensure that the charity's risks are managed properly. We are adequately covered for Public and Employers Liability Insurance.

It is a requirement that all Trustees and persons working with children and/or vulnerable adults are cleared by the Police under the Disclosure and Barring Service scheme. The charity also subscribes to the Churches Child Protection Advisory Service to ensure compliance with the rules and regulations relating to children and vulnerable adults. Safeguarding is a priority of the charity and a dedicated safeguarding team comprising of a Leader and 2 deputies (split into age-appropriate groups) meet regularly for updates and to discuss potential safeguarding issues. This is also in close communication with CCPAS, an independent Christian safeguarding charity.

Financial review

During the year ended 31 December 2020 the Charity received total incoming resources of £539,109 of which £47,111 was received as restricted funding. Costs of £519,449 were incurred in connection with the delivery of direct charitable activities and associated support costs.

Included within this year's incoming resources are donations received from the 'Gift Days', held to raise money for the new building, and grants received. The Trustees would like to thank all those people and organisations who have given so generously in support of the church new home.

No material costs associated with fundraising were incurred during the year.

The significant levels of donations enabled the refurbishments on the new church home, Landmark, alongside the ongoing delivery of the charitable activities of the church.

The Charity's main source of regular income is support from the membership. There is never certainty over the levels of donations that the Charity receives.

As the development of the building progresses, there will increasingly be opportunity to rent out rooms in order to generate investment income, 2020 has seen some progress in this area but this has obviously been directly impacted by the Covid 19 pandemic.

Reserves policy

At 31 December 2020 the Charity held total funds of £1,154,035 of which £36,894 was restricted for future use, as detailed in note 16. Unrestricted funds totalled £1,117,141, which included the designated fixed asset fund of £1,083,949, leaving available, general unrestricted funds of £33,192.

It is intended that sufficient reserves are retained in order to enable the Charity to undertake its financial commitments for a minimum of two months. The level of available, liquid unrestricted funds carried forward at 31 December 2020 was therefore less than this target. The trustees intend to gradually increase the levels of reserves over the medium term to the level required by this policy.

Going concern

The risks related to the Covid-19 pandemic have been assessed by the Board. Due to the actions that the board have taken this is not having a detrimental impact on its financial performance. The company has sufficient financial resources, including the support of its bankers to be able to meet short term debt as it falls due. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic.

The directors are taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

After reviewing the company's forecasts and projections and obtaining additional loan funding through the Governments available loan schemes, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

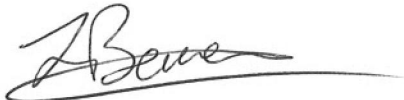
YEAR ENDED 31 DECEMBER 2020

Plans for future periods

Crossgate currently has both online and in-person services on Sunday morning. However, one of the core principles is that of Small Groups and we see these as the foundation of our Church 'family' enabling members to invite new people to various groups throughout the week outside a regular church service. The development and continuation of small groups is to be extended and pushed as a key ministry area.

Our work with other faith based and secular organisations, government agencies and local community groups continues to flourish, in particular, with Open Arms Ministries in Kenya. It is our aim to continue to develop these relationships, with the aim of 'Loving People and Transforming Lives'.

Signed by order of the trustees:

A handwritten signature in black ink, appearing to read 'J L Bowen', with a long horizontal flourish extending to the right.

Mr J L Bowen, Secretary

Date: 27 September 2021

CROSSGATE CHURCH LTD

INDEPENDENT EXAMINATION REPORT

YEAR ENDED 31 DECEMBER 2020

I report to the Charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020, which are set out on pages 9 to 24.

Responsibilities and basis of report

As the Charity's trustees of the Company (and also 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 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 your charity's accounts as 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.

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

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 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.



Stephen Grayson FCCA

For and on behalf of UHY Hacker Young Manchester LLP

Chartered Accountants
St James Building
79 Oxford Street
Manchester
M1 6HT

Date: 27 September 2021

CROSSGATE CHURCH LTD

STATEMENT OF FINANCIAL ACTIVITIES (INCL INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2020

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
Income and endowments from:					
Donations and legacies	3	469,652	47,111	516,763	483,265
Charitable activities	4	13,235	-	13,235	47,782
Investments		13	-	13	63
Other		9,098	-	9,098	9,457
Total income		491,998	47,111	539,109	540,567
Expenditure on:					
Charitable activities	5	518,854	595	519,449	496,556
Total expenditure		518,854	595	519,449	496,556
Net income / (expenditure)		(26,856)	46,516	19,660	44,011
Transfers between funds		12,146	(12,146)	-	-
Net movement in funds		(14,710)	34,370	19,660	44,011
Reconciliation of funds:					
Total funds brought forward		1,131,851	2,524	1,134,375	1,090,364
Total funds carried forward	16	1,117,141	36,894	1,154,035	1,134,375

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

All of the above amounts relate to continuing activities

CROSSGATE CHURCH LTD

BALANCE SHEET

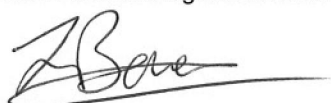
YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds £	2020 Restricted funds £	Total £	2019 Total £
	Note				
Fixed assets					
Tangible assets	9	1,779,850	7,378	1,787,228	1,793,348
Intangible assets	10	617	-	617	-
		1,780,467	7,378	1,787,845	1,793,348
Current assets					
Debtors	11	13,306	-	13,306	17,014
Cash at bank and in hand		46,200	29,516	75,716	37,355
		59,506	29,516	89,022	54,369
Creditors: amounts falling due within one year	12	(46,931)	-	(46,931)	(76,320)
Net current assets/(liabilities)		12,575	29,516	42,091	(21,951)
Total assets less current liabilities		1,793,042	36,894	1,829,936	1,771,397
Creditors: amounts falling due after more than one year	13	(675,901)	-	(675,901)	(637,022)
Net assets		1,117,141	36,894	1,154,035	1,134,375
Charity Funds					
Restricted funds		33,192	-	33,192	2,524
Designated fixed asset fund		1,083,949	-	1,083,949	1,114,553
Unrestricted funds		-	36,894	36,894	17,298
Total funds	16	1,117,141	36,894	1,154,035	1,134,375

For the period ended 31 December 2020 the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

The members have not required the Charity to obtain an audit of its accounts for the year in question in accordance with section 476; and the trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The financial statements were approved by the members of the committee and authorised for issue on 27 September 2021 and are signed on their behalf by:



Mr J L Bowen, Trustee

Company registration number: 06057378

CROSSGATE CHURCH LTD
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flow from operating activities	21	44,050	91,871
Cash flow from investing activities			
Investment income		13	63
Purchase of tangible fixed assets		(25,239)	(85,258)
		<u>(25,226)</u>	<u>(85,195)</u>
Cash flow from financing activities			
Repayment of borrowings		(30,464)	(17,612)
Payment of finance lease obligations		-	(9,660)
New loans		50,000	-
		<u>19,536</u>	<u>(27,272)</u>
Net increase/(decrease) in cash and cash equivalents		38,360	(20,596)
Cash and cash equivalents at 1 January 2020		37,355	57,951
Cash and cash equivalents at 31 December 2020		<u>75,715</u>	<u>37,355</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		75,715	37,355
Cash and cash equivalents at 31 December 2020		<u>75,715</u>	<u>37,355</u>

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Legal form

The charity constitutes a limited company, limited by guarantee as defined by the Companies Act 2006, incorporated in England and Wales. The registered office is The Benchmark, 25 Ribbleson Street, Preston, Lancashire, PR1 5BA.

Basis of accounting

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 applicable in the UK and Republic of Ireland (FRS 102) which became effective 1 January 2015, the Financial Reporting Standard 102 and the Companies Act 2006.

Crossgate Church Ltd 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 notes.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

Preparation of the accounts on a going concern basis

Like many similar charities, Crossgate Church Ltd is reliant on donations and voluntary giving, the receipt of which can be unpredictable in terms of value and timing. However, the trustees are hopeful that giving will continue to remain at similar levels seen in previous years, and forecasts have been prepared on this basis. Therefore the trustees have, at the time of approving the financial statements, a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular restricted purposes.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Resourced Expensed

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.

Expenditure on charitable objectives includes the costs of charitable activities undertaken directly to further the purposes of the charity and their associated support costs.

Donated assets and services

Assets donated for ongoing use by the Charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the Statement of Financial Activities.

Donated services are recognised as an expense on the Statement of Financial Activities on the basis of the value of the gift to the Charity where the Charity has control over the service, with a corresponding amount recognised as income.

Allocations of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between expenditure on charitable activities on an actual basis where applicable. The remaining support costs have been allocated between each activity based on the proportionate direct costings.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairments.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	2% straight line
Kitchen improvements	5% straight line
Technology/security	25% straight line
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

Land is not depreciated.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

Financial instruments

The charity 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, concessionary loans and hire purchase agreements which are subsequently measured at amortised cost using the effective interest method.

Operating leases

Rentals payable are charged on a time basis over the lease term.

Concessionary Loans

For concessionary loans repayable on demand, the carrying amount of the loan has not been adjusted to reflect the below prevailing market rates of interest being charged.

Concessionary loans repayable in more than one year have been initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and adjusted if necessary for any impairments.

2 Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimated.

3 Income from donations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Gifts	362,681	8,402	371,082	363,892
Gifts from Lancaster Foundation	50,000	-	50,000	50,000
Gift aid	56,972	245	57,217	66,873
Grants	-	18,216	18,216	-
Donation from Crossgate Hope	-	20,249	20,249	-
Donated gifts in kind	-	-	-	2,500
	469,652	47,111	516,763	483,265

Included within donations is unrestricted income of £469,652 (2019: £400,031) and restricted income of £47,111 (2019: £83,234)

During the year the charity received gifts in kind totalling £nil (2019: £2,500).

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Community based activities	6,754	-	6,754	23,183
Events	6,139	-	6,139	22,258
Youth services	100	-	100	430
Pastoral	237	-	237	398
Church services	5	-	5	1,514
	<u>13,235</u>	<u>,</u>	<u>13,235</u>	<u>47,782</u>

Income from charitable activities was £13,235 (2019: £47,782). All such income was unrestricted in the current and previous year.

5 Analysis of expenditure on charitable activities

Activity	Activities directly undertaken £	Support and governance costs (note 6) £	Total 2020 £	Total 2019 £
Discipleship & Church Events	2,242	3,180	5,422	4,898
Pastoral	1,643	2,331	3,974	21,783
Mission	19,422	27,547	46,169	3,281
Children's ministry	2,214	3,140	5,354	9,477
Creative	2,215	3,141	5,356	19,910
Corporate	3,413	4,841	8,254	27,723
Youth	6,996	9,923	16,919	33,707
Church services	205,801	52,580	258,381	283,034
Community based activities	70,599	100,133	170,732	84,903
Irrecoverable VAT	-	(1,912)	(1,912)	7,840
	<u>314,545</u>	<u>204,904</u>	<u>519,449</u>	<u>496,556</u>

Expenditure on charitable activities was £519,449 (2019: £496,556) of which £518,854 (2019: £495,763) was unrestricted and £595 (2019: £793) was restricted.

CROSSGATE CHURCH LTD**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2020****6 Analysis of support and governance costs**

	2020	2019
	£	£
Staff costs	110,605	65,844
Rent and room hire	-	500
Electricity, rates and water	-	6,755
Telephone, internet costs and IT support	7,375	6,159
Legal, professional and accountancy fees	2,138	7,050
Bank charges and loan interest	21,639	23,420
Depreciation	39,051	39,584
Insurance	19,477	11,177
Other support costs	6,531	8,611
Irrecoverable VAT	(1,912)	7,840
	204,904	176,940

7 Net incoming resources

	2020	2019
	£	£
Net resources are stated after charging:		
Depreciation	39,051	39,584
Operating lease charges	22,500	22,500
Independent examiner's remuneration:		
- Independent examination fee (exclusive of VAT)	2,250	2,250

8 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2020	2019
	£	£
Wages and salaries	195,282	153,043
Social security costs	10,216	8,033
Pension costs	4,065	3,724
	209,563	164,799

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

8 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

Particulars of employees:

The average number of employees during the year was as follows:

	2020 No	2019 No
Number of staff	11	8

No employees had employee benefits in excess of £60,000 per annum in either the current or prior year.

The Charity trustees were not paid and did not receive any other benefits from employment with the Charity in either the current or prior year, nor did they receive any travel or other reimbursed expenses.

The employee benefits paid to key management personnel during the year was £98,958 (2019: £98,786)

9 Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Motor vehicles £	Total £
Cost:				
At 1 January 2020	1,804,635	127,182	5,135	1,936,952
Additions	25,239	-	-	25,239
Additions – business combination	-	3,822	3,870	7,692
At 31 December 2020	1,829,874	131,004	9,005	1,969,883
Depreciation:				
At 1 January 2020	48,529	93,364	1,711	143,604
Charge for the year	19,652	18,543	856	39,051
At 31 December 2020	68,181	111,907	2,567	182,655
Net book value:				
At 31 December 2020	1,761,693	19,097	6,438	1,787,228
At 31 December 2019	1,756,106	33,818	3,424	1,793,348

Including within the closing net book value are tangible fixed assets with a carrying value of Nil (2019: £nil) which are held under finance leases or hire purchase contracts. The depreciation charged on such assets during the year amounted to Nil (2019: £nil).

CROSSGATE CHURCH LTD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

10 Intangible assets

	2020	2019
	£	£
Software		
At 1 January 2019	-	-
Additions – business combination	617	-
	617	-

11 Debtors: Amounts falling due within one year

	2020	2019
	£	£
Other debtors	12,477	4,764
Prepayments	829	12,250
	13,306	17,014

12 Creditors: Amounts falling within one year

	2020	2019
	£	£
Taxation and social security costs	8,047	6,449
Other creditors	14,656	29,028
Accruals	4,228	1,500
Bank loans (note 14)	-	29,343
Concessionary loans (note 15)	20,000	10,000
	46,931	76,320

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

13 Creditors: Amounts falling due in more than one year

	2020	2019
	£	£
Bank loans (note 14)	605,911	577,032
Bounce back loan	50,000	-
Concessionary loans (note 15)	19,990	59,990
	675,901	637,022

14 Borrowings

Bank loans measured at amortised cost consist of the mortgage which falls due for repayment as follows:

	2020	2019
	£	£
In less than one year	-	29,343
In two to five years	134,651	134,651
In more than five years	471,260	442,381
	605,911	606,375

The mortgage is subject to an interest rate of 3% per annum over base rate. The mortgage is repayable over a 19 year period, with weekly repayments of £945. The mortgage is secured by way of a first legal charge provided over the freehold properties.

15 Concessionary loans

Concessionary loans fall due for repayment as follows:

	2020	2019
	£	£
In less than one year	20,000	10,000
In two to five years	19,990	59,990
	39,990	69,990

An interest free loan of £100,000 was received during the year ended 31 December 2017 as funding towards the New Home capital project. This is repayable over a 5 year period, with an expected annual payment of £10,000 in the next 12 months.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

16 Analysis of charitable funds

	At 1 January 2020 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2020 £
Unrestricted funds					
General fund	17,298	491,998	(480,398)	4,294	33,192
Designated fixed asset fund	1,114,553	-	(38,456)	7,852	1,083,949
	<u>1,131,851</u>	<u>491,998</u>	<u>(518,854)</u>	<u>12,146</u>	<u>1,117,141</u>
Restricted Funds					
New Home	891	26,862	(249)	(12,146)	15,358
Crossgate Hope	-	20,249	-	-	20,249
Creative	1,268	-	(225)	-	1,043
Youth	365	-	(121)	-	244
	<u>2,524</u>	<u>47,111</u>	<u>(595)</u>	<u>(12,146)</u>	<u>36,894</u>
Total funds	1,134,375	539,109	(519,449)	-	1,154,035

The New Home fund relates to donations and grant funding received towards the building of a dedicated home for the Church. Upon completion of each stage of the capital work, a transfer is made from the restricted home fund to the designated fixed asset fund. This transfer reflects that the terms of the gifts have been met, and the trustees are now able to use the property for the Charity's general charitable purposes.

The designated fixed asset fund balance carried forward is equal to the book value of fixed assets less the outstanding mortgage and concessionary loans.

The balance carried forward on the New Home fund relates to donations and grants received to fund the refurbishment project, which has been spent during 2020.

The Overseas Mission fund includes donations received towards the work of the Church in Uganda and Macedonia.

The Creative and Youth funds relates to capital grant funding. These funds are reduced by the depreciation charged on such equipment each year.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

17 Movement in funds – previous year

	At 1 January 2019 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2019 £
Unrestricted funds					
General fund	21,012	457,333	(456,972)	(4,075)	17,298
Designated fixed asset fund	1,050,523	-	(38,791)	102,821	1,114,553
	<u>1,071,535</u>	<u>457,333</u>	<u>(495,763)</u>	<u>98,746</u>	<u>1,131,851</u>
Restricted Funds					
New Home	16,652	83,234	(249)	(98,746)	891
Overseas Mission					
Creative	1,691	-	(423)	-	1,268
Youth	486	-	(121)	-	365
	<u>18,829</u>	<u>83,234</u>	<u>(793)</u>	<u>(98,746)</u>	<u>2,524</u>
Total funds	<u>1,090,364</u>	<u>540,567</u>	<u>(496,556)</u>	<u>-</u>	<u>1,134,375</u>

18 Analysis of net assets between funds – previous years

	Unrestricted Funds £	Designated fixed asset funds £	Restricted general funds £	At 31 December 2019 £
Fund balances at 31 December 2019 are represented by:				
Tangible fixed assets	-	1,790,968	2,380	1,793,348
Current assets	49,688	-	4,681	54,369
Creditor's falling due within one year	(32,390)	(39,393)	(4,537)	(76,320)
Creditor's falling due after one year	-	(637,022)	-	(637,022)
	<u>17,298</u>	<u>1,114,553</u>	<u>2,524</u>	<u>1,134,375</u>

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

19 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2020	2019	2019
	Land and Buildings	Other Items	Land and Buildings	Other Items
	£	£	£	£
Within 1 year	-	-	22,500	-
Within 2 to 5 years	-	-	-	-
	-	-	22,500	-

20 Related parties

The trustees of Crossgate Church Ltd also act as trustees for Crossgate Hope Limited. During the year Crossgate Church Ltd made a donation of £49,796 (2019: £60,368) to Crossgate Hope Limited. At 31 December 2020 Crossgate Hope Limited owed Crossgate Church Ltd £nil (2019: £nil).

Crossgate Hope Limited was closed as at 31 December 2020 and any remaining activities were transferred to Crossgate Church Ltd at book value. Accordingly the remaining assets totalling £20,249 were donated to Crossgate Church Ltd.

During the year, the Charity paid £10,039 (2019: £5,879) to Red Sky Core Limited. A company which is controlled by the family of Mr Farrington, Senior Pastor. At 31 December 2020 the charity owed £nil (2019: £nil) to Red Sky Core Limited.

During the year the trustees made donations to the Charity totalling £22,018 (2019: £30,378).

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2020	2019
	£	£
Net movement in funds	19,660	44,011
Depreciation charge	39,051	39,584
Loss on disposal of tangible fixed assets	-	-
Investment income	(13)	(63)
Movement in debtors	3,708	(8,286)
Movement in creditors	(18,355)	16,625
	44,050	91,871

23 Taxation

As a charity, Crossgate Hope Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.