

**Crossgate Church Ltd**  
Company Limited by Guarantee

**Report and Financial Statements**

**For The Year Ended 31 December 2021**

---

# **CROSSGATE CHURCH LTD**

## **TRUSTEES REPORT & FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

### **Contents**

	<b>Page</b>
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 2021

<b>Registered charity name</b>	Crossgate Church Ltd	
<b>Charity registration number</b>	1119350	
<b>Company registration number</b>	06057378	
<b>Registered office</b>	The Benchmark 25 Ribbleson Street Preston Lancashire PR1 5BA	
<b>Trustees</b>	Mr J L Bowen Mr S Barratt Mr A Gardner Mr R G Awde  Mr I K Ferguson	Resigned 14 July 2021  Appointed 14 July 2021 and resigned 14 July 2022 Appointed 14 July 2021
<b>Secretary</b>	Mr J L Bowen	
<b>Key Management personnel</b>	Mr J Wright (Pastor) Mr R Farrington (Senior Pastor) Mr B Farrington (Pastor) Rev Dr M Trench	Resigned 5 September 2021 Resigned 5 September 2021 Appointed 5 May 2022
<b>Independent examiner</b>	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 2021**

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 2021.

#### **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. 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 group's 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 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. 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 and online via Zoom, often with a practical aspect, hobby or theme.

Sadly, much of this again proved to be difficult through 2021 due to 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 continuing on this church and the city of Preston during this time, just like it was in 2020. The start of January 2021 saw England enter its third national lockdown so once again the church was unable to meet together despite only recently coming back together at the end of 2020. Thankfully, the infrastructure was already in place for our online church as the intention was for this new ministry area to continue indefinitely.

# **CROSSGATE CHURCH LTD**

## **TRUSTEES' ANNUAL REPORT**

### **YEAR ENDED 31 DECEMBER 2021**

Throughout lockdown Crossgate's main areas of focus was communication, community and care. 16 hubs were formed across the community in 2020 and this continued as a great source of comfort and support throughout 2021. 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 2021 and basic groceries were also donated to those who needed as well as the meals. On average over 180-200 meals were prepared, bags of groceries were delivered to 25 – 30 households per week and over 8,800 meals were prepared and delivered throughout 2021. By delivering regularly and building trust we have been able to provide further support to some families with debt problems and loneliness. Some of these issues were a direct consequence of the pandemic, although, some households were already struggling daily, and the pandemic enabled us to make contact with them. 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. When lockdown finally ended during 2021 we were able to start a drop-in community hub in our church coffee shop, where those we were helping with meals and others from the local community were able to come in for a coffee, chat and access support for debt management and benefits advice etc.

Online Church continued to be a huge success throughout 2021 as Crossgate continued to provide a professional and high-quality service, highly appreciated by members and visitors located further afield. Our services continued online only from January to early March when we eventually opened back up, maintaining Government guidelines and with several restrictions and limitations in place to ensure everyone stayed safe whilst in the building. As better processes were put in place and members became more comfortable, we slowly increased the attendees each week and eventually returned to normal in July 2021.

#### **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.

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 Church coffee shop 'Redwood Coffee' which is located within Landmark was only open for a limited time until June / July due to the pandemic. It is intended to remain open going forward and is of particular importance to HMP Preston who use it on a regular basis for visitors and family members.

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.

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.

# **CROSSGATE CHURCH LTD**

## **TRUSTEES' ANNUAL REPORT**

### **YEAR ENDED 31 DECEMBER 2021**

#### **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. It is also hired out for larger one off corporate events.

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. Going forwards this is an area of development and growth for Crossgate Church.

As the building work continues this is naturally a significant area of both fund raising and expenditure, most of which has historically been funded by the membership of Crossgate Church through bi-annual 'Imagine Gift Days', but these gift days were postponed in 2021 due to the pandemic. However, amazingly, as Crossgate looked to progress the building project, a number of grants were applied for and a staggering £403,000 was pledged to Crossgate Church in Grants, granted by 6 different funders / trusts. None of this money was given in 2021 so does not show in any of the accounts as the money will be provided when the work is due to commence. Crossgate Church had hoped to progress with this building work in 2021, however, following the aftermath of Brexit and Covid 19, the building and construction industry was unpredictable with high rises in costs and long delays for materials and labour, therefore, it was agreed with the Crossgate Board of Trustees and the funders for the work to be postponed until 2022.

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.

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 providing money gifts for gas and electricity, food hampers, Christmas lunches, gift bags and white goods. Gifts were given to children who are known to us through CAP, the Community Hub and Inside out. Gifts were also given to those who were nominated through our partnerships with other organisations, including gifts for children of serving offenders, 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 takes 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 2021**

On the contrary, the Charity found itself in a position with only two Trustees following the sudden resignation of Steve Barratt in 2021. This left the Charity in a difficult position where it was inquorate. The charity did not formerly accept Steve Barratt's resignation until suitable replacements were found, however, Steve was no longer eligible to attend meetings, therefore, Crossgate no longer had a functioning board. This required swift remedial action as the remaining trustees were unable to make any decisions as the charity requires a minimum of 3 trustees. The Articles of Association document explains that in exceptional circumstances such as this, the Board does not need to follow the normal process for appointing new Board Members including the 21 days of consultation with the Charity members. Instead, the existing Trustees can co-opt anyone who is eligible to fill the vacancy and become a trustee immediately for a period of 1 year. Therefore, the trustees approached and appointed Geoff Awde and Ian Ferguson, increasing the Board of Trustees to 4 members which re-instated a functioning Board of Trustees. Ian Ferguson and Geoff Awde brought a wealth of wisdom and experience to the board which allowed us to immediately steady the ship.

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.

Ron Farrington was one of the founding members of Crossgate Church and has given 26 years of service, sacrifice and commitment. Ron became the Senior Pastor in 2013 and has served our church in the role for the past 8 years. Ron did an incredible job in loving and serving our church family and community, particularly whilst dealing with the Covid 19 pandemic which made it especially difficult to pastor a church whilst navigating the Government restraints. When Ron took on the role of Senior Pastor in 2013 it was with the intention of it being a 6–8 year position before stepping down, therefore, Ron and the Board of Trustees had been working on a Succession plan to identify and appoint an appropriate replacement ready for Ron's retirement from this position towards the end of 2021.

At the end of July 2021 the Board of Trustees advised the Pastoral team of the decision to look both externally and internally for the next Senior Pastor of Crossgate Church. The Board of Trustees felt this was a fair, professional, and the most appropriate way to proceed. Each of the Trustees also felt God had independently directed them to take this approach, therefore, this decision honoured the Spiritual duty as elders and the governance duty as Trustees. The Trustees wholeheartedly encouraged our Pastors, Josh Wright and Ben Farrington to consider applying for the role of Senior Pastor as the process continued both internally and externally.

In August 2021 Pastor Ben Farrington, resigned from his position as Pastor at the church along with his wife, Jen Farrington who resigned from her role as the Kids Champion. Later that same month, Ron Farrington also tendered his resignation before departing on the 5 September 2021 which marked 26 years since the church was founded.

# **CROSSGATE CHURCH LTD**

## **TRUSTEES' ANNUAL REPORT**

### **YEAR ENDED 31 DECEMBER 2021**

Following the departures of these three significant roles in early 2021, Crossgate Church were in a pressured position to appoint a new Senior Pastor, and strengthen the staff team, however, the Board of Trustees felt the appointment process should not be rushed and time should be taken before then to regroup, reflect and use the season to draw closer to God and allow Him to restore the church to its former glory. Through this period the Board of Trustees took a much more active approach in the day to day running and management of the church whilst members of the church stepped up to support wherever they could. Our only remaining Pastor, Josh Wright stepped up in incredible ways to fill the gap during this transitional period. Josh took a lot on his shoulders to support the church and the board without hesitation, Josh led the church from the front as the church went through a season of healing and restoration. The Board of Trustees therefore, honoured Josh with a temporary title change to 'Interim Lead Pastor'.

The board of Trustees formed a dedicated team, along with members of the church congregation and external advisers to help support the recruitment process as we looked to appoint a new Senior Pastor. After much work the advert for the role of Senior Pastor was launched in October 2021 and was published on two Christian job sites and shared with all members of the church to pass on by word of mouth. The closing date for the applications was Monday 08<sup>th</sup> November, by then we had received full applications from 12 candidates. In November the team reviewed the applications at length and agreed on 4 elite candidates who should be taken through to the interview process. After an incredibly blessed interview day, the whole team involved agreed to progress with one standout candidate who would continue to the next staged interview in early 2022.

#### **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.

#### **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 during the year comprised of Ron Farrington (Senior Pastor), Ben Farrington (Pastor) and Josh Wright (Pastor) from the start of January until the 5 September 2021. From the 5 September 2021 onwards the management consisted of Josh Wright (Pastor) only, but with more intentional and regular support from the board of Trustees.

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. This is especially true during the Covid 19, Pandemic and even more so in Quarter 4 of 2021 when the church staff team had particularly low available resource.

#### **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 2021**

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 2021 the Charity received total incoming resources of £497,543 of which £20,634 was received as restricted funding. Costs of £446,029 were incurred in connection with the delivery of direct charitable activities and associated support costs.

Included within this year's incoming resources are one off donations received from members, given towards 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's new home and the church's ongoing community and ministry work.

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

Through the second half of 2021, the church saw a significant drop in monthly donations from members of the church and an increase in the expenses, which was emphasized by the conclusion of governments grants and furlough which came to an end at a similar time, this resulted in potential cash flow difficulties. The church at this time still had a healthy balance in the current account, however, the charity was making a significant loss month on month which could not be sustained moving forwards. Following a detailed financial review in October 2021, the situation was communicated to the members of the church. Significant strides were then taken to reduce costs and increase income through renting the property and spaces for corporate events. Through November and December, the church saw an increase in attendees and a significant increase in monthly giving as members of the church were keen to back the church's ministry and vision going forward and support the Trustees as they sought to find the new Senior Pastor.

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, 2021 has seen some progress in this area but this has obviously been directly impacted by the Covid 19 pandemic.

#### **Reserves policy**

At 31 December 2021 the Charity held total funds of £1,205,549 of which £52,974 was restricted for future use, as detailed in note 16. Unrestricted funds totalled £1,152,575, which included the designated fixed asset fund of £1,061,149, leaving available, general unrestricted funds of £91,426.

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 2021 was therefore above this target.

#### **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 Charity 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 Charity is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic and the financial concerns raised earlier in the year.

# **CROSSGATE CHURCH LTD**

## **TRUSTEES' ANNUAL REPORT**

### **YEAR ENDED 31 DECEMBER 2021**

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 Charity's forecasts and projections and obtaining additional loan funding through the Governments available loan schemes, the directors have a reasonable expectation that the Charity 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.

#### **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:



Mr J L Bowen, Secretary

Date: 21 September 2022

# **CROSSGATE CHURCH LTD**

## **INDEPENDENT EXAMINATION REPORT**

### **YEAR ENDED 31 DECEMBER 2021**

I report to the Charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021, which are set out on pages 8 to 23.

#### **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: 21 September 2022

**CROSSGATE CHURCH LTD**

**STATEMENT OF FINANCIAL ACTIVITIES (INCL INCOME AND EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 DECEMBER 2021**

			<b>2021</b>		<b>2020</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Note</b>	<b>funds</b>	<b>funds</b>	<b>£</b>	<b>£</b>
		<b>£</b>	<b>£</b>		
<b>Income and endowments from:</b>					
Donations and legacies	<b>3</b>	393,880	20,634	414,514	516,763
Charitable activities	<b>4</b>	51,164	-	51,164	13,235
Investments		19,994	-	19,994	13
Other		11,871	-	11,871	9,098
<b>Total income</b>		<b>476,909</b>	<b>20,634</b>	<b>497,543</b>	<b>539,109</b>
<b>Expenditure on:</b>					
Charitable activities	<b>5</b>	444,122	1,907	446,029	519,449
<b>Total expenditure</b>		<b>444,122</b>	<b>1,907</b>	<b>446,029</b>	<b>519,449</b>
<b>Net income / (expenditure)</b>		<b>32,787</b>	<b>18,727</b>	<b>51,514</b>	<b>19,660</b>
<b>Transfers between funds</b>		<b>2,647</b>	<b>(2,647)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>35,434</b>	<b>16,080</b>	<b>51,514</b>	<b>19,660</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,117,141	36,894	1,154,035	1,134,375
<b>Total funds carried forward</b>	<b>16</b>	<b>1,152,575</b>	<b>52,974</b>	<b>1,205,549</b>	<b>1,154,035</b>

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

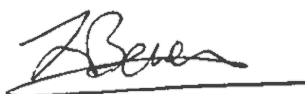
YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds £	2021 Restricted funds £	Total £	2020 Total £
	Note				
<b>Fixed assets</b>					
Tangible assets	9	1,753,368	5,020	1,758,388	1,787,228
Intangible assets	10	411	-	411	617
		<u>1,753,779</u>	<u>5,020</u>	<u>1,758,800</u>	<u>1,787,845</u>
<b>Current assets</b>					
Debtors	11	22,094	-	22,094	13,306
Cash at bank and in hand		50,397	47,954	98,351	75,716
		<u>72,491</u>	<u>47,954</u>	<u>120,445</u>	<u>89,022</u>
<b>Creditors: amounts falling due within one year</b>	12	(88,038)	-	(88,038)	(46,931)
<b>Net current (liabilities)/assets</b>		<u>(15,547)</u>	<u>47,954</u>	<u>32,406</u>	<u>42,091</u>
<b>Total assets less current liabilities</b>		1,738,232	52,974	1,791,206	1,829,936
<b>Creditors: amounts falling due after more than one year</b>	13	(585,657)	-	(585,657)	(675,901)
<b>Net assets</b>		<u>1,152,575</u>	<u>52,974</u>	<u>1,205,549</u>	<u>1,154,035</u>
<b>Charity Funds</b>					
Unrestricted funds		91,426	-	91,426	33,192
Designated fixed asset fund		1,061,149	-	1,061,149	1,083,949
Restricted funds		-	52,974	52,974	36,894
<b>Total funds</b>	16	<u>1,152,575</u>	<u>52,974</u>	<u>1,205,549</u>	<u>1,154,035</u>

For the period ended 31 December 2021 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 21 September 2022 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 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flow from operating activities</b>	<b>21</b>	46,913	44,050
<b>Cash flow from investing activities</b>			
Investment income		19,994	13
Purchase of tangible fixed assets		(1,942)	(25,239)
Proceeds in disposal of tangible assets		4,629	-
		<u>22,681</u>	<u>(25,226)</u>
<b>Cash flow from financing activities</b>			
Repayment of borrowings		(46,958)	(30,464)
New loans		-	50,000
		<u>(46,958)</u>	<u>19,536</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		22,636	38,360
<b>Cash and cash equivalents at 1 January 2021</b>		75,715	37,355
<b>Cash and cash equivalents at 31 December 2021</b>		<u>98,351</u>	<u>75,715</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		98,351	75,715
<b>Cash and cash equivalents at 31 December 2021</b>		<u>98,351</u>	<u>75,715</u>

# **CROSSGATE CHURCH LTD**

## **NOTES TO FINANCIAL STATEMENTS**

### **YEAR ENDED 31 DECEMBER 2021**

#### **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 2021

#### 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 2021

#### 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 2021 £	Total 2020 £
Gifts	335,895	1,724	337,619	371,082
Gifts from Lancaster Foundation	-	-	-	50,000
Gift aid	57,985	414	58,399	57,217
Grants	-	18,496	18,496	18,216
Donation from Crossgate Hope	-	-	-	20,248
Donated gifts in kind	-	-	-	-
	393,880	20,634	414,514	516,763

Included within donations is unrestricted income of £393,880 (2020: £469,652) and restricted income of £20,634 (2020: £47,111)

During the year the charity received gifts in kind totalling £nil (2020: £nil).

# CROSSGATE CHURCH LTD

## NOTES TO FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2021

#### 4 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Community based activities	2,408	-	2,408	6,754
Events	47,018	-	47,018	6,139
Youth services	-	-	-	100
Pastoral	1,132	-	1,132	237
Church services	606	-	606	5
	51,164	-	51,164	13,235

Income from charitable activities was £51,164 (2020: £13,235). 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 2021 £	Total 2020 £
Discipleship & Church Events	1,384	1,132	2,516	5,422
Pastoral	6,011	4,916	10,927	3,974
Mission	754	617	1,371	46,169
Children's ministry	1,871	1,530	3,401	5,354
Creative	5,644	4,615	10,259	5,356
Corporate	4,957	4,054	9,011	8,254
Youth	4,186	3,423	7,609	16,919
Church services	141,871	116,028	257,899	258,381
Community based activities	78,685	64,351	143,036	170,732
Irrecoverable VAT	-	-	-	(1,912)
	245,363	200,666	446,029	519,449

Expenditure on charitable activities was £446,029 (2020: £519,449) of which £444.122 (2020: £518,854) was unrestricted and £1,907 (2020: £595) was restricted.

# CROSSGATE CHURCH LTD

## NOTES TO FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2021

#### 6 Analysis of support and governance costs

	2021	2020
	£	£
Staff costs	130,038	110,605
Rent and room hire	-	-
Electricity, rates and water	-	-
Telephone, internet costs and IT support	6,104	7,375
Legal, professional and accountancy fees	2,375	2,138
Bank charges and loan interest	22,318	21,639
Depreciation	27,561	39,051
Profit/Loss on disposal	(1,202)	-
Insurance	9,695	19,477
Other support costs	3,777	6,531
Irrecoverable VAT	-	(1,912)
	<b>200,666</b>	<b>204,904</b>

#### 7 Net incoming resources

	2021	2020
	£	£
<b>Net resources are stated after charging:</b>		
Depreciation	27,355	39,051
Amortisation	206	-
Operating lease charges	2,464	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

	2021	2020
	£	£
Wages and salaries	204,524	195,282
Social security costs	10,283	10,216
Pension costs	5,259	4,065
	<b>220,067</b>	<b>209,563</b>

# CROSSGATE CHURCH LTD

## NOTES TO FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2021

#### 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:

	2021 No	2020 No
Number of staff	13	11

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 £90,029 (2020: £98,958)

#### 9 Tangible fixed assets

	Freehold property & improvements £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost:</b>				
At 1 January 2021	1,829,874	131,004	9,005	1,969,883
Additions	1,942	-	-	1,942
Disposals	-	-	(6,408)	(6,407)
<b>At 31 December 2021</b>	<b>1,831,816</b>	<b>131,004</b>	<b>2,598</b>	<b>1,965,418</b>
<b>Depreciation:</b>				
At 1 January 2021	68,181	111,907	2,567	182,655
Charge for the year	19,024	7,269	1,062	27,355
Eliminated on disposals	-	-	(2,980)	(2,980)
<b>At 31 December 2021</b>	<b>87,205</b>	<b>119,176</b>	<b>650</b>	<b>207,030</b>
<b>Net book value:</b>				
<b>At 31 December 2021</b>	<b>1,744,611</b>	<b>11,828</b>	<b>1,948</b>	<b>1,758,388</b>
At 31 December 2020	1,761,693	19,097	6,438	1,787,228

**CROSSGATE CHURCH LTD**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

**10 Intangible assets**

	<b>2021</b>
	£
<b>Cost:</b>	
At 1 January 2021	617
Additions	-
<b>At 31 December 2021</b>	<b>617</b>
<b>Amortisation:</b>	
At 1 January 2021	-
Charge for the year	206
<b>At 31 December 2021</b>	<b>206</b>
<b>Net book value:</b>	
<b>At 31 December 2021</b>	<b>411</b>
At 31 December 2020	617

**11 Debtors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£	£
Other debtors	21,294	12,477
Prepayments	800	829
	<b>22,094</b>	<b>13,306</b>

**12 Creditors: Amounts falling within one year**

	<b>2021</b>	<b>2020</b>
	£	£
Taxation and social security costs	7,394	8,047
Other creditors	13,778	14,656
Accruals	3,581	4,228
Bank loans (note 14)	33,295	-
Bounce back loan	10,000	-
Concessionary loans (note 15)	19,990	20,000
	<b>88,038</b>	<b>46,931</b>

**CROSSGATE CHURCH LTD****NOTES TO FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2021****13 Creditors: Amounts falling due in more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans (note 14)	550,379	605,911
Bounce back loan	35,278	50,000
Concessionary loans (note 15)	-	19,990
	<b>585,657</b>	<b>675,901</b>

**14 Borrowings**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
In less than one year	33,295	-
In two to five years	133,179	134,651
In more than five years	417,200	471,260
	<b>583,674</b>	<b>605,911</b>

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 monthly repayments of £4,317. 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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
In less than one year	19,990	20,000
In two to five years	-	19,990
	<b>19,990</b>	<b>39,990</b>

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 payment of £19,990 in the next 12 months.

# CROSSGATE CHURCH LTD

## NOTES TO FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2021

#### 16 Analysis of charitable funds

	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2021 £
<b>Unrestricted funds</b>					
General fund	33,192	476,909	(418,675)	-	91,426
Designated fixed asset fund	1,083,949	-	(25,447)	2,647	1,061,149
	<u>1,117,141</u>	<u>476,909</u>	<u>(444,122)</u>	<u>2,647</u>	<u>1,152,575</u>
<b>Restricted Funds</b>					
New Home	15,358	20,634	(140)	(2,647)	33,205
Crossgate Hope	20,249	-	(1,462)	-	18,788
Creative	1,043	-	(238)	-	805
Youth	244	-	(67)	-	177
	<u>36,894</u>	<u>20,634</u>	<u>(1,907)</u>	<u>(2,647)</u>	<u>52,974</u>
<b>Total funds</b>	<b><u>1,154,035</u></b>	<b><u>497,543</u></b>	<b><u>(446,029)</u></b>	<b><u>-</u></b>	<b><u>1,205,549</u></b>

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 2021.

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 2021

#### 17 Movement in funds – previous year

	At 1 January 2020 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2020 £
<b>Unrestricted funds</b>					
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>
<b>Restricted Funds</b>					
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>
<b>Total funds</b>	<b>1,134,375</b>	<b>539,109</b>	<b>(519,449)</b>	<b>-</b>	<b>1,154,035</b>

#### 18 Analysis of net assets between funds – previous years

	Unrestricted Funds £	Designated fixed asset funds £	Restricted general funds £	At 31 December 2020 £
<b>Fund balances at 31 December 2020 are represented by:</b>				
Tangible fixed assets	-	1,779,850	7,378	1,787,228
Intangible assets	617	-	-	617
Current assets	59,506	-	29,516	89,022
Creditor's falling due within one year	(26,931)	(20,000)	-	(46,931)
Creditor's falling due after one year	-	(675,901)	-	(675,901)
	<u>33,192</u>	<u>1,083,949</u>	<u>36,894</u>	<u>1,154,035</u>



# CROSSGATE CHURCH LTD

## NOTES TO FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2021

#### 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:

	2021 Land and Buildings £	2021 Other Items £	2020 Land and Buildings £	2020 Other Items £
Within 1 year	-	2,152	22,500	-
Within 2 to 5 years	-	5,103	-	-
	-	7,255	22,500	-

#### 20 Related parties

During the year, the Charity paid £5,621 (2020: £10,039) to Red Sky Core Limited. A company which is controlled by the family of Mr Farrington, the previous Senior Pastor. At 31 December 2021 the charity owed £nil (2020: £nil) to Red Sky Core Limited.

During the year the trustees made donations to the Charity totalling £13,115 (2020: £22,018).

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

	2021 £	2020 £
Net movement in funds	51,514	19,660
Depreciation charge	27,561	39,051
Loss on disposal of tangible fixed assets	(1,202)	-
Investment income	(19,994)	(13)
Movement in debtors	(8,788)	3,708
Movement in creditors	(2,178)	(18,355)
	46,913	44,050

#### 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 2021**

**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.