

Crossgate Church Ltd
Company Limited by Guarantee

Report and Financial Statements
For The Year Ended 31 December 2022

CROSSGATE CHURCH LTD

TRUSTEES REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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CROSSGATE CHURCH LTD

CHARITY REFERENCE & ADMINISTRATIVE DETAILS

YEAR ENDED 31 DECEMBER 2022

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 J L Bowen Mr A Gardner Mr I K Ferguson Mr S Barratt (Appointed 13 October 2022)
Secretary	Mr J L Bowen
Key Management personnel	Rev Dr M Trench (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 2022

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 2022.

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 'Next Steps Desk' 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. Crossgate completed the building work in early 2023, providing a 100 seater Youth room and a 60 seater children's room for use on Sunday mornings and throughout the week for various outreach involving our young people. 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. Completion of the upstairs building work also saw the completion of the Chapel room used as a designated space for quiet reflection, prayer, devotion and for pastoral care meetings. The Chapel remains available at all times throughout the week as a safe space for members of the church or anyone from the community to drop in and spend some time praying in a quiet Holy space.

Throughout 2022, Crossgate Church's online presence continued with all services recorded and aired live professionally via our website and YouTube for the congregation who are unable to attend in person. This continues to be a valuable outreach and is used by many including those in other countries.

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Crossgate continues to prepare meals for vulnerable members of the church and the local community to provide support. This continued each week throughout 2022 and basic groceries were also donated to those in need as well as the meals. On average over the year, some 6,200 meals were prepared and 1800 bags of groceries were delivered to at least thirty households per week. By seeing people regularly and building trust, we have been able to provide further support to some families with debt problems, budgeting, loneliness and support to access benefits.

At the end of 2021 we started 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. This has continued throughout 2022 and remained a positive outreach for the community. We have made relationships and gained trust with local homeless people, street workers and those battling addiction, providing food, toiletries and support with housing applications. Some of these people choose to meet with their mental health workers in our café so that we can also offer support, and we have some local addiction recovery groups that meet on our premises so that service users can come and receive prescription medicines by professionals, and support in other areas from us.

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. The completion of the building works not only serve the church internally but are used for serving the community externally also. The newly renovated spaces are used for events for external parties and includes a shower for those in need.

We work closely with three local prisons in a number of ways. Practically HMP Preston used Landmark and Benchmark for probation training for prisoners, as well as other training purposes for prison staff. Crossgate has a team of volunteers who support the existing chaplaincy team in HMP Wymott & HMP Preston.

The Church coffee shop 'Redwood Coffee' which is located within Landmark is open for limited hours Monday - Friday and is of particular importance to HMP Preston who use it on a regular basis for visitors and family members for whom we provide support if needed.

The church works closely with other churches and organisations both locally and nationwide and is a member of the Evangelical Alliance; 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 2022

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 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 Crossgate looked to progress the building project, a number of grants were applied for, and a staggering £433,000 was pledged to Crossgate Church in Grants, granted by six different funders / trusts.

The project finally progressed and in September 2022 the grant funding was all provided, and after a vigorous tender process, the building work started.

In December we had multiple Christmas events, our Christmas Celebration Services were once again a great success both online and in person. We were able to host our annual special Carol Service in HMP Preston this year after missing 2021 due to the pandemic restrictions. The church was involved in distributing Christmas assistance to over 250 households by providing money gifts for gas and electricity, food hampers, Christmas lunches, gift bags and white goods. Some families received 'Christmas Dinner in a bag' where we gave them a turkey, vegetables and all the trimmings so that they could cook their own Christmas lunches. Gifts were given to children who are known to us through the Community Hub and we provided a Christmas lunch party for those who regularly attend the hub. 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.

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 Pastors (Senior Leadership Team), who have been equipped by the Trustees to carry out their duties within an agreed process. The Pastors attend Trustees meetings and the Senior Pastor acts as intermediary between the Trustees and the Staff Team.

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YEAR ENDED 31 DECEMBER 2022

The 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.

Following the departure of our previous Pastor, the Leadership Board underwent a vigorous recruitment process which started at the end of 2021 and continued in to early 2022, during this period Pastor Josh Wright stepped up as 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. In November, the team reviewed the applications at length and agreed on four 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. Following which, Dr. Martin Trench was appointed the new Senior Pastor and moved with his family from Canada in May 2022 to start his role at Crossgate Church.

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 at the start of the year comprised of Josh Wright (Pastor) only but with more intentional and regular support from the board of Trustees. He was later joined by Rev Dr Martin Trench who overtook the role as Pastor upon joining the church.

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.

CROSSGATE CHURCH LTD

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YEAR ENDED 31 DECEMBER 2022

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, which are allocated against the appropriate cost centres in our accounting system to ensure that an audit trail is provided for all expenditure.

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 'Thirtyone:eight' (formally 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 Thirtyone:eight, an independent Christian safeguarding charity.

Financial review

During the year ended 31 December 2022 the Charity received total incoming resources of £862,261 of which £399,610 was received as restricted funding. Costs of £430,731 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.

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.

Reserves policy

At 31 December 2022 the Charity held total funds of £1,637,079 of which £273,670 was restricted for future use, as detailed in note 16. Unrestricted funds totalled £1,363,409, which included the designated fixed asset fund of £1,331,922 and general unrestricted funds of £31,487.

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 2022 was therefore below this target.

Going concern

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.

The directors believe that the Charity is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2022

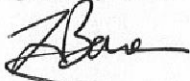
Plans for future periods

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'.

Heading in to 2023 we are excited to complete the mezzanine floor ready to use the spaces to serve the church and the community.

Signed by order of the trustees:



Mr J L Bowen, Secretary

Date: 20 September 2023

CROSSGATE CHURCH LTD

INDEPENDENT EXAMINATION REPORT

YEAR ENDED 31 DECEMBER 2022

I report to the Charity trustees on my examination of the accounts of the Company for the year ended 31 December 2022, 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.

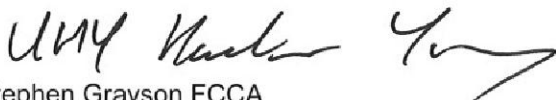
Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

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: 20 September 2023

CROSSGATE CHURCH LTD

STATEMENT OF FINANCIAL ACTIVITIES (INCL INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2022

			2022		2021
		Unrestricted	Restricted	Total	Total
	Note	funds	funds	£	£
		£	£		
Income and endowments from:					
Donations and legacies	3	400,204	399,610	799,814	414,514
Charitable activities	4	50,548	-	50,548	51,164
Investments		517	-	517	19,994
Other		11,382	-	11,382	11,871
Total income		462,651	399,610	862,261	497,543
Expenditure on:					
Charitable activities	5	380,194	50,537	430,731	446,029
Total expenditure		380,194	50,537	430,731	446,029
Net income / (expenditure)		82,457	349,073	431,530	51,514
Transfers between funds		128,377	(128,377)	-	-
Net movement in funds		210,834	220,696	431,530	51,514
Reconciliation of funds:					
Total funds brought forward		1,152,575	52,974	1,205,549	1,154,035
Total funds carried forward	16	1,363,409	273,670	1,637,079	1,205,549

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

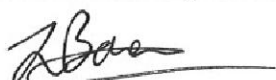
YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds £	2022 Restricted funds £	Total £	2021 Total £
	Note				
Fixed assets					
Tangible assets	9	2,020,489	3,648	2,024,137	1,758,388
Intangible assets	10	274	-	274	411
		2,020,763	3,648	2,024,411	1,758,800
Current assets					
Debtors	11	34,532	-	34,532	22,094
Cash at bank and in hand		13,170	270,022	283,192	98,351
		47,702	270,022	317,724	120,445
Creditors: amounts falling due within one year	12	(149,673)	-	(149,673)	(88,038)
Net current (liabilities)/assets		(101,971)	270,022	168,051	32,406
Total assets less current liabilities		1,918,792	273,670	2,192,462	1,791,206
Creditors: amounts falling due after more than one year	13	(555,383)	-	(555,383)	(585,657)
Net assets		1,363,409	273,670	1,637,079	1,205,549
Charity Funds					
Unrestricted funds		31,487	-	31,487	91,426
Designated fixed asset fund		1,331,922	-	1,331,922	1,061,149
Restricted funds		-	273,670	273,670	52,974
Total funds	16	1,363,409	273,670	1,637,079	1,205,549

For the period ended 31 December 2022 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 20 September 2023 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 2022**

	Note	2022 £	2021 £
Cash flow from operating activities	21	529,987	46,913
Cash flow from investing activities			
Investment income		517	19,994
Purchase of tangible fixed assets		(288,909)	(1,942)
Proceeds in disposal of tangible assets		-	4,629
		<u>(288,392)</u>	<u>22,681</u>
Cash flow from financing activities			
Repayment of borrowings		(56,754)	(46,958)
New loans		-	-
		<u>(56,754)</u>	<u>(46,958)</u>
Net increase/(decrease) in cash and cash equivalents		184,841	22,636
Cash and cash equivalents at 1 January 2022		98,351	75,715
Cash and cash equivalents at 31 December 2022		<u>283,192</u>	<u>98,351</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		283,192	98,351
Cash and cash equivalents at 31 December 2022		<u>283,192</u>	<u>98,351</u>

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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 2022

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 2022

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 2022 £	Total 2021 £
Gifts	265,028	398,301	663,329	337,619
Gifts from Lancaster Foundation	-	-	-	-
Gift aid	44,875	1,309	46,184	58,399
Grants	90,301	-	90,301	18,496
Donation from Crossgate Hope	-	-	-	-
Donated gifts in kind	-	-	-	-
	400,204	399,610	799,814	414,514

Included within donations is unrestricted income of £400,204 (2021: £393,880) and restricted income of £399,610 (2021: £20,634)

During the year the charity received gifts in kind totalling £nil (2021: £nil).

CROSSGATE CHURCH LTD**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****4 Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Community based activities	10,454	-	10,454	2,408
Events	39,270	-	39,270	47,018
Youth services	-	-	-	-
Pastoral	664	-	664	1,132
Church services	160	-	160	606
	50,548	-	50,548	51,164

Income from charitable activities was £50,548 (2021: £51,164). 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 2022 £	Total 2021 £
Discipleship & Church Events	3,075	3,841	6,916	2,516
Pastoral	4,129	5,159	9,288	10,927
Mission	-	-	-	1,371
Children's ministry	1,356	1,694	3,050	3,401
Creative	9,458	11,816	21,274	10,259
Corporate	9,219	11,517	20,736	9,011
Youth	1,486	1,857	3,343	7,609
Church services	50,133	111,497	161,630	257,899
Community based activities	107,278	85,156	192,434	143,036
Irrecoverable VAT	-	12,060	12,060	-
	186,134	244,597	430,731	446,029

Expenditure on charitable activities was £430,731 (2021: £446,029) of which £380,194 (2021: £444,122) was unrestricted and £50,537 (2021: £1,907) was restricted.

CROSSGATE CHURCH LTD**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****6 Analysis of support and governance costs**

	2022	2021
	£	£
Staff costs	163,470	130,038
Rent and room hire	-	-
Electricity, rates and water	1,401	-
Telephone, internet costs and IT support	3,271	6,104
Legal, professional and accountancy fees	801	2,375
Bank charges and loan interest	30,612	22,318
Depreciation	23,161	27,561
Profit/Loss on disposal	-	(1,202)
Insurance	9,900	9,695
Other support costs	(79)	3,777
Irrecoverable VAT	12,060	-
	244,597	200,666

7 Net incoming resources

	2022	2021
	£	£
Net resources are stated after charging:		
Depreciation	23,161	27,355
Amortisation	137	206
Operating lease charges	2,232	2,464
Independent examiner's remuneration:		
- Independent examination fee (exclusive of VAT)	4,000	2,250

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

	2022	2021
	£	£
Wages and salaries	153,516	204,524
Social security costs	6,624	10,283
Pension costs	3,330	5,259
	163,470	220,067

CROSSGATE CHURCH LTD**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****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:

	2022 No	2021 No
Number of staff	<u>9</u>	<u>13</u>

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 £48,864 (2021: £90,029)

9 Tangible fixed assets

	Freehold property & improvements £	Fixtures & fittings £	Motor vehicles £	Total £
Cost:				
At 1 January 2022	1,831,816	131,004	2,598	1,965,418
Additions	288,910	-	-	288,910
Disposals	-	-	-	-
At 31 December 2022	<u>2,120,726</u>	<u>131,004</u>	<u>2,598</u>	<u>2,254,328</u>
Depreciation:				
At 1 January 2022	87,205	119,176	650	207,030
Charge for the year	19,552	3,122	487	23,161
Eliminated on disposals	-	-	-	-
At 31 December 2022	<u>106,757</u>	<u>122,298</u>	<u>1,137</u>	<u>230,191</u>
Net book value:				
At 31 December 2022	<u>2,013,969</u>	<u>8,706</u>	<u>1,461</u>	<u>2,024,137</u>
At 31 December 2021	<u>1,744,611</u>	<u>11,828</u>	<u>1,948</u>	<u>1,758,388</u>

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

10 Intangible assets

	2022
	£
Cost:	
At 1 January 2022	617
Additions	-
At 31 December 2022	617
Amortisation:	
At 1 January 2022	206
Charge for the year	137
At 31 December 2022	343
Net book value:	
At 31 December 2022	274
At 31 December 2021	411

11 Debtors: Amounts falling due within one year

	2022	2021
	£	£
Other debtors	32,757	21,294
Prepayments	1,775	800
	34,532	22,094

12 Creditors: Amounts falling within one year

	2022	2021
	£	£
Taxation and social security costs	3,918	7,394
Other creditors	100,027	13,778
Accruals	8,923	3,581
Bank loans (note 14)	27,179	33,295
Bounce back loan	9,626	10,000
Concessionary loans (note 15)	-	19,990
	149,673	88,038

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

13 Creditors: Amounts falling due in more than one year

	2022 £	2021 £
Bank loans (note 14)	529,358	550,379
Bounce back loan	26,025	35,278
Concessionary loans (note 15)	-	-
	555,383	585,657

14 Borrowings

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

	2022 £	2021 £
In less than one year	27,179	33,295
In two to five years	108,718	133,179
In more than five years	420,640	417,200
	556,537	583,674

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 £4,359. 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:

	2022 £	2021 £
In less than one year	-	19,990
In two to five years	-	-
	-	19,990

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 was repayable over a 5 year period and was repaid in full during the year.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

16 Analysis of charitable funds

	At 1 January 2022 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2022 £
Unrestricted funds					
General fund	91,426	462,651	(358,405)	(164,185)	31,487
Designated fixed asset fund	1,061,149	-	(21,789)	292,562	1,331,922
	<u>1,152,575</u>	<u>462,651</u>	<u>(380,194)</u>	<u>128,377</u>	<u>1,363,409</u>
Restricted Funds					
New Home	33,205	399,610	(41,632)	(128,377)	262,806
Crossgate Hope	18,788	-	(8,611)	-	10,177
Creative	805	-	(243)	-	562
Youth	177	-	(51)	-	126
	<u>52,974</u>	<u>399,610</u>	<u>(50,537)</u>	<u>(128,377)</u>	<u>273,670</u>
Total funds	<u>1,205,549</u>	<u>862,261</u>	<u>(430,731)</u>	<u>-</u>	<u>1,637,079</u>

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 2022.

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 2022

17 Movement in funds – previous year

	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2021 £
Unrestricted funds					
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>
Restricted Funds					
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>
Total funds	1,154,035	497,543	(446,029)	-	1,205,549

18 Analysis of net assets between funds – previous years

	Unrestricted Funds £	Designated fixed asset funds £	Restricted general funds £	At 31 December 2022 £
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	88,555	1,664,813	5,020	1,758,388
Intangible assets	411	-	-	411
Current assets	72,491	-	47,954	120,445
Creditor's falling due within one year	(34,753)	(53,285)	-	(88,038)
Creditor's falling due after one year	(35,278)	(550,379)	-	(585,657)
	<u>91,426</u>	<u>1,061,149</u>	<u>52,974</u>	<u>1,205,549</u>

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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:

	2022 Land and Buildings £	2022 Other Items £	2021 Land and Buildings £	2021 Other Items £
Within 1 year	-	2,152	-	2,152
Within 2 to 5 years	-	2,951	-	5,103
	-	5,103	-	7,255

20 Related parties

During the year, the Charity paid £nil (2021: £5,621) to Red Sky Core Limited. A company which is controlled by the family of Mr Farrington, the previous Senior Pastor. At 31 December 2022 the charity owed £nil (2021: £nil) to Red Sky Core Limited.

During the year the trustees made donations to the Charity totalling £18,636 (2021: £13,115).

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

	2022 £	2021 £
Net movement in funds	431,530	51,514
Depreciation charge	23,298	27,561
Loss on disposal of tangible fixed assets	-	(1,202)
Investment income	(517)	(19,994)
Movement in debtors	(12,438)	(8,788)
Movement in creditors	88,114	(2,178)
	529,987	46,913

23 Taxation

As a charity, Crossgate Church Ltd 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 2022

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.