

THE CITY CHURCH

Report and Financial Statements
for the year ended 31 August 2020

Company number: 6732225

Registered charity number: 1130031

THE CITY CHURCH

Trustees' Report and Financial Statements for the year ended 31 August 2020

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Company number	6732225
Registered charity number	1130031
Secretary	Mr S D Clark
Trustees	Mrs K Bailey Mr J P Christopher Mr S D Clark Mr P E Gregory Mr S J Rose Mr M S Segal Mr T J Wilson
Registered office:	44 St Peter's Street Canterbury Kent CT1 2BG
Independent examiner	Mr C M Geary

THE CITY CHURCH

Trustees' Report

The Trustees present their annual report and financial statements of The City Church for the year ended 31 August 2020.

The City Church is a company limited by guarantee, and it is registered as a charity with the Charity Commission. Its principal address is 44 St. Peter's Street, Canterbury, Kent, CT1 2BG.

Principal activity

The objectives of The City Church are the advancement of the Christian religion according to evangelical and biblical principles.

Trustees

The trustees during the year were as follows:

Mrs K Bailey

Mr R A Butler - resigned 15 June 2020

Mr J P Christopher

Mr S D Clark

Mr P E Gregory – appointed 13 May 2021

Mr S J Rose – appointed 15 June 2020

Mr M S Segal

Mr T J Wilson

All of the trustees are also directors of the company. Mr S J Rose was appointed a director on 15 June 2020 following the resignation of Mr R A Butler.

Review of activities and achievements

It has been a year of challenge and change for The City Church. During the year it was agreed that our Whitstable site would become a separate church in its own right, with the Whitstable Community Church officially launching from September 2020 led by one of our previously employed Elders.

Therefore as at the end of the year the church is led by a three man Eldership team, with one being a full-time employee (and two being directors in addition). Another Elder is in the process of being appointed to further strengthen the leadership team. They are supported in the day-to-day operations by a team of twelve men and women comprising five full-time, five part-time and two voluntary staff.

The Covid-19 pandemic has had a significant impact on the day to day operations of the church, with in person meetings suspended for much of the year due to lockdown restrictions, and most of our other regular church activities also impacted. Church services moved online, initially with pre-recorded meetings before moving to live online services towards the end of the year. Where possible other activities and meetings have continued and moved online using Zoom and other online meeting tools.

The church also launched a new social action project to support those impacted by the pandemic. The Buddy scheme matched up families in need with members of the church who could support them by delivering food parcels and arranging other help where necessary. During the first lockdown we supported 54 families with over 600 food parcels, and continue to maintain contact with some families who have ongoing needs.

Prior to the first lockdown in March 2020 weekly worship meetings were held at St Stephens School in Canterbury, and also at The Community College in Whitstable. Other church activities and programmes comprised mainly the following:-

- Weekly and monthly prayer meetings.
- Weekly Small Groups where church members meet in small gatherings usually 8 – 16 in number. These meetings include, inter alia, worship, prayer and Bible study.
- Children's work is undertaken primarily on Sunday mornings.

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Trustees' Report

(continued)

- Regular youth work takes place during the week with some combined events during weekends or mid-week.
- A “Coffee and Chaos” meeting is held during the week for mothers and toddlers.
- “Pursuit” is a weekly meeting for broadly 18 – 30 year olds for praise, worship, prayer and teaching.
- “Make Lunch” is an outreach project designed to engage with and provide food during school holidays for families reliant on school dinners.
- Various Alpha courses are held to enable non-Christians to discuss and find out more about Christianity. During the year these have included courses for adults, students and youth.
- The church operates a free debt advice service to the wider community under the name Canterbury Debt Advice Centre.
- Various community events take place throughout the year, including Wine & Wisdom evenings.
- The church also runs marriage enrichment courses.
- The church also works with other churches in Canterbury to support various community initiatives such as Street Pastors and Healing on the Streets.
- Volunteer workers undertake a formal teaching programme during their designated period to equip them for future roles and leadership either in the church or elsewhere.

Despite the impact of the pandemic the church has continued to thrive, with finances remaining stable and increasing engagement with mid-week Small Groups where they have moved online. As a church we have been called to be an equipping and sending church, yet despite some members moving on during the year on missional activities the church continues to attract new members, and as a result membership has remained fairly constant.

A main objective of the church is the advancement of the Christian Religion and to this end the church has supported various churches in the East Kent region as well as church plants into continental Europe. In previous years we have sent church members to begin church plants in France (Lille), Finland (Helsinki), Colchester (UK), Whitfield (UK) and a Gospel Plant into Sheppey (UK), and we continue to support these ventures financially.

Currently the church rents accommodation for administrative offices and various Church meetings. However, it aims to buy premises and with this in mind it has built up a “Building Fund” over a number of years to achieve this purpose.

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Trustees' Report

(continued)

Review of Finances

The statement of financial activities for the year is set out on page 5. A summary of the financial results is set out below.

The Charity's income during the year was £502,000, and expenses were £533,000. All donated income is derived from Church members and no outside fund raising is undertaken. All funds donated to the Charity are used either for the day-to-day operation and meetings of the Church or to further Christian work in the UK or overseas in accordance with the objectives of the Charity. A separate building fund is maintained as funds are raised towards a new building project, and this has continued to grow.

Regular monthly giving has been sustained at a high level, which has allowed the Church to maintain its day-to-day operations and its general cash reserves. These general reserves are important, enabling the Church to meet any additional expenditure and to support any new Church work or project.

A prime objective of the Church is to give away an average of 10% of unrestricted income each year to support the advancement of the Christian religion in the UK and overseas. During the period covered by these accounts the amount given away or set aside for church planting projects has met this target.

Trustees' responsibilities regarding the financial statements

Company law requires the trustees to prepare financial statements which give a true and fair view of the state of affairs of the Church and of the income and expenditure of the Church for that period. In preparing those financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Church will continue in existence.

The trustees have overall responsibility for ensuring that the Church has an appropriate system of controls, financial and otherwise. They are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees have adopted the provisions of 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) and the Companies Act 2006 in preparing the annual report and financial statements of the Church.

.....
S D Clark

16 June 2021

**Independent Examiner's Report
to the Trustees of
THE CITY CHURCH**

I report to the charity trustees on my examination of the accounts of The City Church (the company) for the year ended 31 August 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the related Notes.

Responsibilities and basis of report

As the 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.

Independent examiner's statement

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 the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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.

Christopher Geary
Chartered Accountant
Geary Partnership
Church Hill Farm, Elmstone, Canterbury, Kent, CT3 1HN

16 June 2021

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Statement of Financial Activities for the year ended 31 August 2020

		Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	Note	£	£	£	£
INCOME & EXPENDITURE					
Income					
Donations		464,747	23,349	488,096	477,782
Charitable activities	3	8,036	4,753	12,789	53,756
Interest receivable		1,926	-	1,926	2,694
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		474,709	28,102	502,811	534,232
Expenditure					
Charitable activities & support costs	4	(505,275)	(28,102)	(533,377)	(567,367)
		<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenses) before transfers		(30,566)	-	(30,566)	(33,135)
Transfers between funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(30,566)	-	(30,566)	(33,135)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,037,215	-	1,037,215	1,070,350
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	8	1,006,649	-	1,006,649	1,037,215
		<hr/>	<hr/>	<hr/>	<hr/>

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Balance Sheet at 31 August 2020

		2020		2019	
	Note	£	£	£	£
Tangible fixed assets					
Equipment	5		9,255		12,739
Current assets					
Debtors	6	193,466		255,732	
Bank balances		821,918		782,593	
		1,015,384		1,038,325	
Current liabilities					
Creditors due within one year	7	(17,990)		(13,849)	
Net current assets			997,394		1,024,476
Net assets			1,006,649		1,037,215

REPRESENTED BY:

Funds

Unrestricted funds	8	1,006,649	1,037,215
Restricted funds	8	-	-
		1,006,649	1,037,215

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

For the year ended 31 August 2020, the company was entitled to exemption from audit under section 477 of the Companies Act 2006, and no notice has been deposited under section 476.

The trustees, who are also the directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

These financial statements were approved and authorised for issue by the Board on 16 June 2021.

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S D Clark

Company number: 6732225

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Statement of Cash Flows for the year ended 31 August 2020

	2020		2019	
	£	£	£	£
Operating activities				
Net income/(expenditure) for the year		(30,566)		(33,135)
Adjustments				
Interest received		(1,926)		(2,694)
Depreciation		6,183		4,745
Loss on disposal of assets		-		1,968
Movements in working capital				
(Increase)/decrease in debtors		10,516		2,783
Increase/(decrease) in creditors		4,141		(14,951)
Cash generated by/(used in) charitable operations		(11,652)		(41,284)
Investing activities				
Equipment purchased	(2,699)		(12,447)	
Equipment sold	-		230	
Loan (to)/repaid by Hope Church, Wymondham	51,750		25,250	
Interest received	1,926		2,694	
Net cash flows from investing activities		50,977		15,727
Net increase/(decrease) in cash and cash equivalents		39,325		(25,557)
Cash and cash equivalents at beginning of year		782,593		808,150
Cash and cash equivalents at end of year		821,918		782,593
REPRESENTED BY:				
Bank balances		821,918		782,593

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Notes to the financial statements for the year ended 31 August 2020

1 General information

The City Church is a public benefit entity and a company limited by guarantee and has no share capital. It is a registered charity.

2 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Church and which have not been designated for other purposes.

Designated funds comprise unrestricted funds which have been put aside at the discretion of the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions declared by their donors.

Income

All income is included in the Statement of Financial Activities when the Church is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Expenditure on charitable activities comprises all expenditure incurred directly in pursuance of the Church's charitable objectives. Governance costs are those costs incurred in connection with administration of the Church and compliance with constitutional and statutory requirements. No amounts are included in the financial statements for the value of services donated by volunteers.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost. Depreciation is provided on fixed assets at an annual rate of 20% on a straight line basis, over their expected useful lives.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

3 Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Receipts from social & church activities	8,036	-	8,036	25,944
Fee income	-	-	-	24,300
Other income	-	4,753	4,753	3,512
	<u>8,036</u>	<u>4,753</u>	<u>12,789</u>	<u>53,756</u>

4 Expenditure

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Staffing costs	301,496	-	301,496	309,525
Office/Operational costs	42,931	-	42,931	55,845
Conferences/Speakers	376	-	376	7,346
Meetings	24,245	-	24,245	25,948
Projects/Ministries/Pastoral/Sundry	20,518	4,753	25,271	48,407
Vehicle costs	1,344	-	1,344	4,557
Gifts for others	-	23,349	23,349	22,756
Church planting & pioneering	42,000	-	42,000	42,961
Tithes – paid out	62,040	-	62,040	29,938
Building project fees	2,942	-	2,942	12,171
Accounts examination fee	1,200	-	1,200	1,200
Depreciation	6,183	-	6,183	4,745
Loss on disposal of assets	-	-	-	1,968
	<u>505,275</u>	<u>28,102</u>	<u>533,377</u>	<u>567,367</u>

The average number of employees was 13 (2019: 14).
No employee received remuneration above £60,000.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

5 Fixed assets

	£
Equipment	
Cost	
Brought forward	28,221
Additions	2,699
Disposals	-
	<hr/>
Carried forward	30,920
	<hr/>
Accumulated depreciation	
Brought forward	15,482
Charge for the year	6,183
Disposals	-
	<hr/>
Carried forward	21,665
	<hr/>
Net book value	
Brought forward	12,739
	<hr/>
Carried forward	9,255
	<hr/>

6 Debtors

	2020	2019
	£	£
Loan to Hope Church, Wymondham	125,000	176,750
Income tax recovered	60,423	63,933
Other debtors & prepayments	8,043	15,049
	<hr/>	<hr/>
	193,466	255,732
	<hr/>	<hr/>

7 Creditors – due within one year

	2020	2019
	£	£
Creditors & accruals	12,315	13,065
Deferred income	5,675	784
	<hr/>	<hr/>
	17,990	13,849
	<hr/>	<hr/>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

8 Statement of funds

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Carried forward £
Unrestricted funds					
General fund	177,676	462,260	491,128	6,470	155,278
Designated funds					
Building fund	859,539	12,449	14,147	(6,470)	851,371
	<u>1,037,215</u>	<u>474,709</u>	<u>505,275</u>	<u>-</u>	<u>1,006,649</u>
Restricted funds					
Gifts for others	-	28,102	28,102	-	-
	<u>-</u>	<u>28,102</u>	<u>28,102</u>	<u>-</u>	<u>-</u>
Total funds	<u>1,037,215</u>	<u>502,811</u>	<u>533,377</u>	<u>-</u>	<u>1,006,649</u>

9 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	9,255	-	-	9,255
Debtors & prepayments	68,247	125,219	-	193,466
Bank balances	95,766	726,152	-	821,918
Creditors due within one year	(17,990)	-	-	(17,990)
	<u>155,278</u>	<u>851,371</u>	<u>-</u>	<u>1,006,649</u>