

THE GATE READING
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020



Caladine

Chartered Certified Accountants

THE GATE READING

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Janet Barfoot Robert Carter Marjorie Lewis Gareth Owen Yinka Oyekan Alastair Mitchell Baker
Charity number	1132037
Principal address	The Gate Reading 384 The Meadway Tilehurst Reading RG30 4NX
Independent examiner	John Caladine FCCA CTA FCIE Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
Bankers	National Westminster Bank Plc 13 Market Place Reading RG1 2EP

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2020

The trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the church's constitution, the Charities Act 2011 and "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) (effective 1 January 2019)".

Objectives and activities

The main objectives of the church are:

1. the advancement of the Christian faith according to the principles of the Baptist denomination in the United Kingdom and/or other parts of the world as the charity trustees think fit;
2. the advancement of education in the United Kingdom and/or other parts of the world as the charity trustees think fit; and
3. the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage in the United Kingdom and/or other parts of the world as the charity trustees think fit.

The trustees have read the Charity Commission guidance on public benefit, and are satisfied that the activities in this report clearly demonstrate that the charity is providing a benefit to the public.

Achievements and performance

The Gate has continued to work to its vision, 'Renewed by the Fathers presence, we are an apostolic church, redeeming people, communities and culture.' The first half of the year saw a continuation of the evangelistic mission through the Turning. This included missions in Scotland and Switzerland and also a first mission in several boroughs in London. Plans have begun to work with all existing Turning hubs to have the first national mission in England now planned for September 2021 due to having to cancel it in September 2020.

Our community work including children's and youth work, the Friendship Hour group for over 55's, the TLG education centre and Acorns Nursery all ran as normal during the first half of the year. When the unprecedented situation of Covid-19 hit the nation with the subsequent restrictions on church activities, we pulled much of our ministry onto platforms such as Zoom and also began livestreaming our services. Advice from the Government and follow on advice given from the Baptist Union gave us a framework to both keep people safe and also enable the church to continue appropriate ministry. The apostolic team and trustees were grateful for the many volunteer hours that went into supporting our more elderly members on how to use Zoom and access online content and also in supporting the vulnerable both in and outside of the community through food parcel distribution, supporting those that were lonely and isolated and other pastoral care. The TLG centre as it works with vulnerable young people stayed in operation throughout and Acorns nursery school reopened its doors as soon as it was practicable to do so in line with government guidance.

Another significant event during the year was also the approach of Sindlesham Baptist Church in Wokingham, to ask if we would consider giving support as the existing minister was due to retire in June 2021. After discussion the solution that was presented to both congregations was for the churches and trusts to be merged and a vote was taken in January 2020 at Sindlesham in which the church voted in the majority to merge. A subsequent vote at the Gate at a church meeting welcomed this. Work has begun to legally merge the two churches which is expected to be completed during 2021. Planned ministry in Sindlesham then had to be put on hold due to the pandemic but is expected to start once Covid restrictions have been lifted.

The other significant event was the sale of the Oxford Road building to the Redeemed Christian Church of God (RCCG) and Wilson Road land to a developer. This had been explored as part of raising funds for the development of the Gate Central site in Tilehurst. The planning for this redevelopment continued with a period of consultation with ministry departments in the latter half of 2019 so the building team could work with the architects to enable a final design to be made. The completion of this design and the sale of the Oxford Road building and Wilson Road land means that we are almost at a point where the church can vote to finally go ahead with the project. We are having to hold this in balance with Covid restrictions and the apostolic team and trustees will make recommendations to the church at a suitable time.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

Financial review and reserves

Full details of the financial position are disclosed on page 4. There was a surplus on unrestricted funds of £1,732,761 at 31 July 2020.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Risk management

The trustees has assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Gate Reading (formerly Reading Community Church) is affiliated to the Baptist Union. The church's premises are held in trust by the Baptist Union Corporation Limited. The church's constitution was adopted on 1 July 2009 as amended by special resolution on 23 August 2009. The church became a registered charity with the Charity Commission England and Wales on 7 October 2009 (charity number: 1132037).

The trustees who served during the year and up to the date of signature of the financial statements were:

Janet Barfoot
Robert Carter
Marjorie Lewis
Gareth Owen
Yinka Oyekan
Alastair Mitchell Baker

The trustees of the church are appointed from the membership of the church.

Sub-committees have been established to deal with the work of the church. The committees and administrative staff have delegated authority to carry out day-to-day work within policies approved by the Apostolic Church Team (ACT) but they do not have any power to disburse the church's funds.

The trustees' report was approved by the Board of Trustees.



Yinka Oyekan

Trustee

Dated: 23 May 2021

THE GATE READING

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE GATE READING

I report to the trustees on my examination of the financial statements of The Gate Reading (the church) for the year ended 31 July 2020.

Responsibilities and basis of report

As the trustees of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the church'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 financial statements to be reached.



John Caladine FCCA CTA FCIE

Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated: 24 May 2021

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Donations and legacies	3	331,745	20,359	352,104	294,985	121,018	416,003
Charitable activities	4	-	37,163	37,163	821	29,000	29,821
Investments	5	-	368	368	-	52	52
Other income	6	-	32,352	32,352	-	-	-
Total income		331,745	90,242	421,987	295,806	150,070	445,876
Expenditure on:							
Charitable activities	7	245,917	8,036	253,953	256,094	11,337	267,431
 Gross transfers between funds	 18	 -	 -	 -	 (25,711)	 25,711	 -
Net Income for the year/ Net movement in funds		85,828	82,206	168,034	14,001	164,444	178,445
Fund balances at 1 August 2019		1,646,933	841,285	2,488,218	1,632,932	676,841	2,309,773
Fund balances at 31 July 2020		1,732,761	923,491	2,656,252	1,646,933	841,285	2,488,218

The statement of financial activities includes all gains and losses recognised in the year.

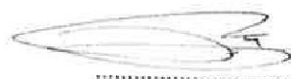
All income and expenditure derive from continuing activities.

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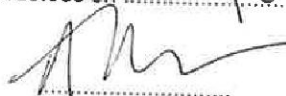
STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2020

	Notes	2020		2019 as restated	
		£	£	£	£
Fixed assets					
Property, plant and equipment	12		2,034,186		2,539,595
Current assets					
Trade and other receivables	13	73,195		48,850	
Cash at bank and in hand		790,475		161,485	
		<u>863,670</u>		<u>210,315</u>	
Current liabilities	15	(29,879)		(26,914)	
Net current assets			833,791		183,401
Total assets less current liabilities			<u>2,867,977</u>		<u>2,722,996</u>
Non-current liabilities	16		(211,725)		(234,778)
Net assets			<u><u>2,656,252</u></u>		<u><u>2,488,218</u></u>
Income funds					
Restricted funds	18		923,491		841,285
Unrestricted funds			1,732,761		1,646,933
			<u>2,656,252</u>		<u>2,488,218</u>

The financial statements were approved by the Trustees on 23 May 2021



Yinka Oyekan
Trustee



Alastair Mitchell Baker
Trustee

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

The Gate Reading (formerly Reading Community Church) is a church and charity registered with the Charity Commission England and Wales (charity number: 1132037). The registered address is 384 The Meadway, Reading, RG30 8NX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the church's constitution, the Charities Act 2011 and "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) (effective 1 January 2019)". The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

Since March 2020 church activities have changed significantly in response to the coronavirus outbreak. However the church has still been able to engage with church members through online services and meetings. Much giving is done through bank transfer and the level of regular offerings and gifts in the 2019-20 has held up well compared to previous years. At the time of approving the financial statements, the trustees have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised when a constructive obligation exists, the payment is probable and the obligation can be measured or estimated reliably.

Resources expended are allocated to the particular cost centre to which they relate and include irrecoverable VAT.

1.6 Property, plant and equipment

With the exception of freehold property, property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses. Freehold property is stated in the balance sheet at revalued amounts, being the fair value on the date of revaluation less any subsequent depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which could be determined using fair values at the reporting end date.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Freehold land and buildings	No depreciation has been charged but a suitable policy will be instigated upon completion of the building project
Fixtures and equipment	There is no historical record of cost or depreciation
Motor vehicles	20% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of non-current assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments'.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the church'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 estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE GATE READING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	313,372	20,359	333,731	279,927	121,018	400,945
Legacies receivable	18,223	-	18,223	-	-	-
Grants received	150	-	150	15,058	-	15,058
	<u>331,745</u>	<u>20,359</u>	<u>352,104</u>	<u>294,985</u>	<u>121,018</u>	<u>416,003</u>
Donations and gifts						
Regular offerings, direct credits and other gifts	205,973	-	205,973	224,183	-	224,183
Gift aid refunds	56,344	-	56,344	55,744	-	55,744
Special appeals and gifts	51,055	20,359	71,414	-	121,018	121,018
	<u>313,372</u>	<u>20,359</u>	<u>333,731</u>	<u>279,927</u>	<u>121,018</u>	<u>400,945</u>

4 Charitable activities

	2020 £	2019 £
Charitable rental income	<u>37,163</u>	<u>29,821</u>
Analysis by fund		
Unrestricted funds	-	821
Restricted funds	<u>37,163</u>	<u>29,000</u>

5 Investments

	Restricted funds	Restricted funds
	2020 £	2019 £
Interest receivable	<u>368</u>	<u>52</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

6 Other income

	Restricted funds	Total
	2020 £	2019 £
Net gain on disposal of tangible fixed assets	32,352	-

7 Charitable activities

	2020 £	2019 £
Staff costs		
Depreciation and impairment	122,870	123,634
Staff expenses	481	601
Youth work	4,898	1,539
Messy Church, children and families	6,254	4,814
Contracting Fees	750	1,069
Minibus and travel	15,849	15,849
Catering and events	1,653	1,784
Visiting speakers	1,397	794
Building projects	-	89
	-	1,759
	154,152	151,932
Grant funding of activities (see note 8)	34,002	57,947
Share of support costs (see note 9)	59,003	52,260
Share of governance costs (see note 9)	6,796	5,292
	253,953	267,431
Analysis by fund		
Unrestricted funds	245,917	256,094
Restricted funds	8,036	11,337
	253,953	267,431

THE GATE READING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Barnabas Fellowship of Churches	24,639	24,639
Baptist Home Mission and Events	5,000	9,812
The Lighthouse Group	-	17,434
Other	2,196	2,645
	<u>31,835</u>	<u>54,530</u>
Grants to individuals	2,167	3,417
	<u>34,002</u>	<u>57,947</u>

9 Support costs

	Support costs £	Governance costs £	Total 2020 £	Support costs £	Governance costs £	Total 2019 £
Maintenance, alterations and cleaning	5,674	-	5,674	8,813	-	8,813
Utilities and telephone	11,843	-	11,843	12,373	-	12,373
Insurance	5,498	-	5,498	3,117	-	3,117
Loan interest	7,555	-	7,555	8,771	-	8,771
Equipment leasing, stationery and printing	21,982	-	21,982	9,267	-	9,267
IT software and consumables	1,667	-	1,667	5,238	-	5,238
Sundry expenses	4,784	-	4,784	4,681	-	4,681
Independent Examination	-	960	960	-	350	350
Accountancy	-	4,348	4,348	-	1,000	1,000
Legal and professional	-	1,488	1,488	-	3,942	3,942
	<u>59,003</u>	<u>6,796</u>	<u>65,799</u>	<u>52,260</u>	<u>5,292</u>	<u>57,552</u>
<u>Analysed between</u>						
Charitable activities	<u>59,003</u>	<u>6,796</u>	<u>65,799</u>	<u>52,260</u>	<u>5,292</u>	<u>57,552</u>

THE GATE READING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

10 Trustees

Yinka Oyekan received a salary of £43,926 (2019: £43,926) and employer pension contributions of £2,196 (2019: £2,196). Gareth Owen received a salary of £29,417 (2019: £29,417) and employer pension contributions £1,471 (2019: £1,471).

Trustees who are employees are reimbursed expenses in their role as employees. No trustees received any payment of expenses in their role as trustees (2019: nil)

Fees of £15,849 were paid to Janet Barfoot for services provided not shown in Note 11.

Donations from trustees amounted to £27,570 (2019: £42,510)

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Pastoral	5	5
Administration	1	1
Total	<u>6</u>	<u>6</u>

Employment costs

	2020 £	2019 £
Wages and salaries	112,905	114,498
Social security costs	6,298	5,701
Other pension costs	3,667	3,435
	<u>122,870</u>	<u>123,634</u>

There were no employees whose annual remuneration was £60,000 or more.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

12 Property, plant and equipment

	Freehold land and buildings £	Motor vehicles £	Total £
Cost			
At 1 August 2019	2,537,192	3,755	2,540,947
Additions	195,071	-	195,071
Disposals	(700,000)	-	(700,000)
At 31 July 2020	2,032,263	3,755	2,036,018
Depreciation and impairment			
At 1 August 2019	-	1,351	1,351
Depreciation charged in the year	-	481	481
At 31 July 2020	-	1,832	1,832
Carrying amount			
At 31 July 2020	2,032,263	1,923	2,034,186
At 31 July 2019	2,537,192	2,403	2,539,595

13 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Other receivables	71,712	47,166
Prepayments and accrued income	1,483	1,684
	73,195	48,850

14 Borrowings

	2020 £	2019 £
Baptist Union Corporation loan	206,775	225,201
Southern Counties Baptist Association loan	28,000	32,000
	234,775	257,201
Payable within one year	23,050	22,423
Payable after one year	211,725	234,778

THE GATE READING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

14 Borrowings (Continued)

The 2015 purchase of St Birinus Church and Manse and additional land at The Meadway was facilitated by a loan of £300,000 from the Baptist Union Corporation. Interest is charged at 3.6% and the loan is to be repaid over a period of 15 years.

In 2016 the church also received a loan of £40,000 from the Southern Counties Baptist Association for work on St Birinus Manse. This loan is interest free and is being paid off in equal instalments over a ten year period.

15 Current liabilities

	Notes	2020 £	2019 £
Baptist Union loan	14	19,050	18,423
Southern Counties Baptist Association loan	14	4,000	4,000
Other taxation and social security		2,329	3,120
Accruals and deferred income		4,500	1,371
		<u>29,879</u>	<u>26,914</u>

16 Non-current liabilities

	Notes	2020 £	2019 £
Baptist Union Corporation loan	14	187,725	206,778
Southern Counties Baptist Association loan	14	24,000	28,000
		<u>211,725</u>	<u>234,778</u>

17 Retirement benefit schemes

Defined contribution schemes

The church operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the church in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,667 (2019 - £3,435).

THE GATE READING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 August 2018 £	Movement in funds		Transfers	Balance at 1 August 2019 £	Movement in funds		Balance at 31 July 2020 £
		Incoming resources £	Resources expended £	1 August 2019 £		Incoming resources £	Resources expended £	
Meadway Church building	236,039	-	-	-	236,039	-	-	236,039
Building project in progress - Meadway Church	-	-	(1,759)	113,951	112,192	-	-	112,192
St Birinus Church car park and ramp	116,088	-	-	-	116,088	-	-	116,088
St Birinus Church building and Manse	241,022	121,018	(8,770)	(95,088)	258,182	-	(7,555)	250,627
St Birinus flat conversion	22,831	-	-	4,000	26,831	-	-	26,831
Minibus	1,943	-	(391)	-	1,552	-	(481)	1,071
Building Fund	52,589	29,052	-	2,848	84,489	90,242	-	174,731
Sundry Other funds	6,329	-	(417)	-	5,912	-	-	5,912
	<u>676,841</u>	<u>150,070</u>	<u>(11,337)</u>	<u>25,711</u>	<u>841,285</u>	<u>90,242</u>	<u>(8,036)</u>	<u>923,491</u>

Opening balances on the Restricted funds at 1 August 2018 have been restated to reflect the correct position.

The amounts included in the following restricted funds represent part of the carrying values of the assets held by the charity (Meadway Church building, Building project in progress - Meadway Church, St Birinus Church Buildings including Flat and Manse.)

The transfer into the 'Building project in progress' represents the cost of additional work which was capitalised in the year.

Minibus - This represents the value of the Minibus as depreciated.

Sundry Other funds - This represents the balances of other minor restricted funds.

THE GATE READING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances are represented by:						
Property, plant and equipment	830,660	1,203,526	2,034,186	1,530,660	1,008,935	2,539,595
Current assets/ (liabilities)	902,101	(68,310)	833,791	116,273	67,128	183,401
Long term liabilities	-	(211,725)	(211,725)	-	(234,778)	(234,778)
	<u>1,732,761</u>	<u>923,491</u>	<u>2,656,252</u>	<u>1,646,933</u>	<u>841,285</u>	<u>2,488,218</u>

20 Operating lease commitments

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

	2020 £	2019 £
Within one year	10,751	3,343
Between two and five years	30,208	5,678
	<u>40,959</u>	<u>9,021</u>

21 Events after the reporting date

The Gate Reading are in negotiation with Sindlesham Baptist Church regarding a merger of the two Churches but as yet not fully agreed.

The Church and its development company, The Gate Building Development Company Ltd, are currently planning redevelopment of the Meadway site. Contracts with the main contractors have yet to be signed.

THE GATE READING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

22 Related party transactions

The Gate Reading church is associated with The Gate Building Development Company Ltd (company number: 12272715) with a common director. The church has contracted with the company in relation to the redevelopment of its site in Reading. The church has also provided a loan for the company. The value of the outstanding loan as at 31 July 2020 is £25,000.

The church is associated with The Baptist Union Great Britain (charity number: 1125912) with a common trustee. The church paid grants to The Baptist Union Great Britain of £5,000 in the year and £893 in subscription fees.

The church is associated with the Barnabas Fellowship of Churches (charity number: 1071300) with two trustees in common. The church made grants worth £24,639 to this charity in 2020 (2019: £24,639) as disclosed in Note 8.

The church is associated with Love Your Community (charity number: 1172625) with a common trustee. Love Your Community paid rent and services of £25,163 to the church during the year.

The church support the Emmaus Project registered as an Amuta in Israel in the sum of £3,000 per annum. Gareth Owen is an Amuta member.

23 Prior period adjustment

Changes to the statement of financial position

	At 31 July 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Property, plant and equipment	897,344	1,530,660	2,428,004
Capital funds			
Income funds			
Restricted funds	676,840	-	676,840
Unrestricted funds	102,273	1,530,660	1,632,933
Total equity	779,113	1,530,660	2,309,773

During the year the charity changed its accounting policy in regards to Freehold property. Freehold property was accounted for using the cost model. During the year the valuation model has been adopted. The change in accounting policy has been applied retrospectively. The above adjustments represent the revaluation of properties at 31 July 2018 and corresponding increase in funds brought forward.