

Charity registration number: 1133003

Southgate Family Church

Annual Report and Financial Statements

for the Year Ended 30 June 2022

David Dixie F C A
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Southgate Family Church

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Southgate Family Church

Reference and Administrative Details

Trustees	Dr R G Buick Revd Canon J P Hughes Mr P F Hubbard Mrs Annie Hughes Mr J Coad
Secretary	Mr N R Houlton
Principal Office	5 Primrose Hill Kings Norton Birmingham B38 9BE
Charity Registration Number	1133003
Bankers	Lloyds TSB Northfield 798 Bristol Road South Northfield Birmingham B38 2NP
Independent Examiner	David Dixie F C A Dixie Associates 167 Black Haynes Road Selly Oak Birmingham B29 4RE

Southgate Family Church

Trustees' Report

The trustees present their report and financial statements of the church for the year ending 30th June 2022.

Objectives

- To serve the local community practically and spiritually.
- To help generate hope and opportunity within the wider community.
- Provide opportunity to explore and discover their journey of faith.

Long term goals

- To grow and multiply a new congregation every few years to serve and benefit other local urban areas.
- To be a catalyst of employment in the community, either directly or indirectly.
- Provide opportunities for young people.
- Strengthen community cohesion and promote community values.
- Promote holistic living: physical and emotional health.

Short term challenges

- Further develop the church congregations and their work in the heart of the Kings Norton 3-estates area.
- Make relevant the spiritual and practical meaning of the gospel to the people in and beyond Kings Norton.
- Administer emotional and physical healing for people with sickness, mental health and ill-health.
- Network with other third-sector organisations to better help individuals who have suffered trauma and abuse.
- Develop leadership gifting in people.
- Develop groups to support marginalized and isolated people.
- Respond locally to the cost-of-living crisis that our country currently faces. Namely to further resource and develop the church food bank, particularly in identifying more families and individuals who need the support of food and household items.

Progress

The Church has come through the covid pandemic with many positive outcomes. Particularly showing deep concern for each other in the Church as well as people in the wider community who have needed support. Church members have grown in their care and capacity to 'love their neighbour', as well as demonstrating deepening of their own Christian Faith.

Prayer has been high on the Church agenda as our concern and love for the community grows. Through many occasions of corporate prayer, the church has seen many needs met and hearts healed despite seemingly impossible situations, where no practical support is possible. These include: new levels of hope in individuals, broken relationships restored, physical healing of people's bodies, deep emotional traumas healed and more.

The food bank continues to be busy, with hundreds of food parcels being handed out. Alongside of this the fresh food distribution has been a great success. People come and help themselves to fresh leftover food from Tesco, Asda and Greggs (bread, veg, fruit, etc). Volunteers have worked hard to collect and process the fresh food, our heartfelt thanks goes to them!

The church has been proud to serve the community in this way and has been able to minister to and support many struggling families through the continued tricky season post covid.

Southgate Family Church

Trustees' Report

Financial Report

The Church has received one (recurring) annual grant of £4,792 towards the running costs of the church. Further to this, several other one-off grants were received including a £40,000 donation from St Johns Church Harborne. We thank St Johns for their continued generous support, and all donated money will go to further the work and objectives of the Church.

The income otherwise is from monthly and one-off gifts from inside and outside of the congregation.

The charity recorded a surplus this year. This is very encouraging and reflects the growing nature and momentum of the work.

Key priorities for the future are:

Spotting and developing potential leaders (a current and future priority).

- Spotting and developing potential leaders (a current and future priority).
- Developing and expanding the children's work.
- Further develop sustainable partnerships with other third sector organisations in the area, who have a common vision to address trauma and abuse in particular.

Thanks

The trustees wish to thank Tesco, Asda, Greggs and Jacks for their generosity and help in providing vast amounts of food for the community this year. They also would like to thank the church volunteers who gave a huge amount of time and effort in helping the food distribution to happen.

Finally, our thanks go to all of those who have supported this venture in volunteering, prayer and financial seeding. We are very grateful. We look forward to another fruitful year!

The annual report was approved by the trustees of the charity on 14 November 2022 and signed on its behalf by:

.....
Dr R G Buick
Trustee

Southgate Family Church

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 14 November 2022 and signed on its behalf by:

.....
Dr R G Buick
Trustee

Southgate Family Church

Independent Examiner's Report to the trustees of Southgate Family Church

I report on the accounts of the charity for the year ended 30 June 2022 which are set out on pages 6 to 16.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
David Dixie F C A

Dixie Associates
167 Black Haynes Road
Selly Oak
Birmingham
B29 4RE

14 November 2022

Southgate Family Church

Statement of Financial Activities for the Year Ended 30 June 2022

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies		107,500	107,500
Other trading activities		379	379
Total Income		<u>107,879</u>	<u>107,879</u>
Expenditure on:			
Charitable activities		(81,925)	(81,925)
Total Expenditure		<u>(81,925)</u>	<u>(81,925)</u>
Net movement in funds		25,954	25,954
Reconciliation of funds			
Total funds brought forward		67,868	67,868
Total funds carried forward	14	<u>93,822</u>	<u>93,822</u>
	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies		85,568	85,568
Other trading activities		92	92
Total Income		<u>85,660</u>	<u>85,660</u>
Expenditure on:			
Charitable activities		(76,245)	(76,245)
Total Expenditure		<u>(76,245)</u>	<u>(76,245)</u>
Net movement in funds		9,415	9,415
Reconciliation of funds			
Total funds brought forward		58,453	58,453
Total funds carried forward	14	<u>67,868</u>	<u>67,868</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 14.

Southgate Family Church
(Registration number: 1133003)
Balance Sheet as at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	9,225	-
Current assets			
Debtors	12	2,750	3,266
Cash at bank and in hand		83,035	65,067
		85,785	68,333
Creditors: Amounts falling due within one year	13	(1,188)	(465)
Net current assets		84,597	67,868
Net assets		93,822	67,868
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		93,822	67,868
Total funds	14	93,822	67,868

The financial statements on pages 6 to 16 were approved by the trustees, and authorised for issue on 14 November 2022 and signed on their behalf by:

.....
Dr R G Buick
Trustee

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

1 Accounting policies

Statement of compliance

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Southgate Family Church 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.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Research and development

Research and development expenditure is written off as incurred.

Trade debtors

are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of is established when there is objective evidence that the will not be able to collect all amounts due according to the original terms of the receivables.

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2022	2021
		£	£
Donations and legacies;			
Donations from individuals	49,068	49,068	57,233
Gift aid reclaimed	9,860	9,860	12,876
Grants, including capital grants;			
Government grants	-	-	3,180
Grants from other charities	48,572	48,572	12,279
	<u>107,500</u>	<u>107,500</u>	<u>85,568</u>

3 Income from other trading activities

	Unrestricted funds		
	General	Total	Total
	£	2022	2021
		£	£
Events income;			
Other events income	379	379	92
	<u>379</u>	<u>379</u>	<u>92</u>

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

4 Expenditure on charitable activities

	Note	Unrestricted funds		Total 2022 £	Total 2021 £
		General £	Other £		
Conferences and training		-	-	-	18
Insurance		-	332	332	320
Repairs and renewals		-	1,686	1,686	3,529
Telephone and internet		-	1,744	1,744	1,625
Print, post and stationery		-	322	322	39
Church resources		1,280	-	1,280	1,584
Church activities and events		12,215	-	12,215	3,586
Hospitality and cleaning		-	4,718	4,718	4,419
Travel and subsistence		-	6,446	6,446	1,836
Depreciation, amortisation and other similar costs		1,420	-	1,420	(4,475)
Grant funding of activities		750	-	750	3,212
Staff costs		50,262	-	50,262	59,671
Governance costs		750	-	750	881
		<u>66,677</u>	<u>15,248</u>	<u>81,925</u>	<u>76,245</u>

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General £	Total 2022 £	Total 2021 £
Independent examiner fees			
Examination of the financial statements	750	750	750
Marketing and publicity	-	-	131
	750	750	881
	750	750	881

6 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Loss on disposal of fixed assets held for the charity's own use	(1,655)	(4,475)
	(1,655)	(4,475)

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	46,362	55,771
Pension costs	3,900	3,900
	50,262	59,671

No employee received emoluments of more than £60,000 during the year

9 Independent examiner's remuneration

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

	2022 £	2021 £
Examination of the financial statements	<u>750</u>	<u>750</u>

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 July 2021	10,374	-	10,374
Additions	<u>-</u>	<u>12,300</u>	<u>12,300</u>
At 30 June 2022	<u>10,374</u>	<u>12,300</u>	<u>22,674</u>
Depreciation			
At 1 July 2021	10,374	-	10,374
Charge for the year	<u>-</u>	<u>3,075</u>	<u>3,075</u>
At 30 June 2022	<u>10,374</u>	<u>3,075</u>	<u>13,449</u>
Net book value			
At 30 June 2022	<u>-</u>	<u>9,225</u>	<u>9,225</u>
At 30 June 2021	<u>-</u>	<u>-</u>	<u>-</u>

12 Debtors

	2022 £	2021 £
Accrued income	<u>2,750</u>	<u>3,266</u>

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	1,086	465
Other creditors	<u>102</u>	<u>-</u>
	<u>1,188</u>	<u>465</u>

14 Funds

	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Balance at 30 June 2022 £
Unrestricted funds				
General	(67,868)	(107,879)	66,677	(109,070)
Other	<u>-</u>	<u>-</u>	<u>15,248</u>	<u>15,248</u>
Total funds	<u>(67,868)</u>	<u>(107,879)</u>	<u>81,925</u>	<u>(93,822)</u>
	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Balance at 30 June 2021 £
Unrestricted funds				
General	(58,453)	(85,660)	64,328	(79,785)
Other	<u>-</u>	<u>-</u>	<u>11,917</u>	<u>11,917</u>
Total funds	<u>(58,453)</u>	<u>(85,660)</u>	<u>76,245</u>	<u>(67,868)</u>

Southgate Family Church

Notes to the Financial Statements for the Year Ended 30 June 2022

15 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	9,225	9,225
Current assets	85,785	85,785
Current liabilities	<u>(1,188)</u>	<u>(1,188)</u>
Total net assets	<u><u>93,822</u></u>	<u><u>93,822</u></u>

16 Analysis of net funds

	At 1 July 2021 £	Cash flow £	At 30 June 2022 £
Cash at bank and in hand	65,067	17,968	83,035
Net debt	<u><u>65,067</u></u>	<u><u>17,968</u></u>	<u><u>83,035</u></u>

17 Related party transactions

There were no related party transactions in the year.