

**REGISTERED COMPANY NUMBER: 08242432 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1149601**

**Report of the Trustees and**  
**Audited Financial Statements**  
**for the Year Ended 31 December 2020**  
**for**  
**ST MICHAEL'S CHURCH CENTRE LIMITED**

**ST MICHAEL'S CHURCH CENTRE LIMITED**

**Contents of the Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|   | <b>Page</b> |
|---|-------------|
| <b>Report of the Trustees</b>             | 1 to 5      |
| <b>Trustees' Responsibility Statement</b> | 6           |
| <b>Report of the Independent Auditors</b> | 7 to 9      |
| <b>Statement of Financial Activities</b>  | 10          |
| <b>Balance Sheet</b>                      | 11          |
| <b>Cash Flow Statement</b>                | 12          |
| <b>Notes to the Cash Flow Statement</b>   | 13          |
| <b>Notes to the Financial Statements</b>  | 14 to 28    |

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**Report of the Trustees  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Trustees present their report with the financial statements of the charity for the year ended 31 December 2020. 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) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

St Michael's Church Centre Limited (SMCC) was established in October 2012, with the main charitable purpose being "to advance the Christian religion". In 2013, the SMCC became "Trustee for all purposes" (ie both Custodian and Managing Trustees) for all the assets of the Old School Rooms Trust.

The overall vision of the SMCC is to provide quality facilities, primarily for the congregation of St Michael's Church and associated church groups as well as the wider community and corporate, regional and national organisations. The trustees believe these objectives benefit the communities which we wish to serve.

**Significant activities**

The first occupational stage of the new buildings were completed in April 2015, and from that time, the new church centre has been the venue for the 10.30am family church services and the 6.30pm informal evening services. The centre has also been increasingly used to host community events as well as an expanding variety of Christian events. Practical examples of the expanding activities include hosting the Bristol-wide Bible-Study-Fellowship on a weekly basis, monthly Messy Church, Bristol Brass Band and a variety of Bristol Choirs, as well as an expanding youth work within the premises. Pre-COVID-19, the centre has hosted many local community events, including the South Gloucestershire Council public consultation of their 10 year Regional Planning Strategy and local issues such as public consultations regarding new local developments for the South West.

**COVID-19**

Like all other community venues, the operation of the centre has been severely restricted since March 2020. Early 2021 has seen the continuation of the restrictions, but the success of the vaccination programme and warmer weather bodes well for a re-opening of the facilities for all users in late Spring 2021.

The Coffee Shop, which is situated within the Old School Rooms but administered by St Michael's Church, continued to offer welcome refreshment and a meeting place for members of the local community until the government restrictions in Spring and Autumn 2020 and plans to reopen to welcome back adults and children, the elderly, local residents and office workers.

The Trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on Public Benefit when planning and reviewing the objectives and activities of St Michael's Church Centre Limited.

**Grantmaking**

As part of the Heart of the Community Project, it is the intention that 10% of the internally generated funds will be available for mission work both in the UK and overseas as the project progresses. New tithe funds have been set aside for charitable grants to be made during 2020.

**Volunteers**

Much of what happens at the Church Centre is driven by volunteers. It is therefore not possible to quantify the contribution of volunteers to the charity except to say that the charity would not be able to carry out many of its activities without them.

**Report of the Trustees  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities - review of the year excluding the impact of Covid-19**

Regular church bookings include a Men's Group, a Life Group, Messy Church, Beehive, Link Group, and Saturday Breakfast. Space is provided for youth work in the form of Sunday Club, including Teen-Central, FXG and Word and other youth-work events. There is a quarterly over 65s lunch and the Centre is increasingly being used regionally and nationally to host events.

The new facilities are making an impact locally and regionally and there is a steady and noticeable increase in footfall of a range of users of the facilities, for individuals, charities and larger organisations. During 2020, sufficient new funds were raised which enabled the completion of the constructional elements of the Church Centre, including 5 new meeting rooms and a fully-equipped kitchen to serve the new user of the Centre.

The Old School Rooms provides the facilities for the Coffee Shop which is open 6 days a week and the facility is used outside opening hours for Marriage/Wedding preparation, Parenting Courses, ALPHA courses, Community Library and Student groups. The Old School Rooms provides space for a number of groups including several Uniformed Groups. Residual space is also used by a number of community groups including; Music with Mummy, Men's Group, Stokes Volunteer Bureau, Keep Fit (dance class) and Link Club (senior citizens). The Old School Rooms is also used for commercial purposes, wedding receptions and birthday parties. The Trustees of the St Michael's Church Centre Ltd are delighted with the increase in usage for Christian and community events that has been seen during the early part of 2020.

**Fundraising**

The primary source of incoming funds is the sacrificial donations (both regular and one-off) from individual members of St Michael's Church congregation. The next most significant source of income is the revenue generated by the hiring out of the facilities to St Michael's Church PCC for use by the church, and then the income generated by the hiring of the facilities to a range of users from the general public. These funds allow the continuing development of the new centre facilities as well as the day-to-day operation of the facility by an increasing range of non-church users.

**FINANCIAL REVIEW**

**Principal funding sources**

Ongoing activities are substantially funded by letting income and investment income. During the period there was significant additional funding of the Heart of the Community Project from donations, related gift aid and grants totalling £652,909 (2019 - £509,506). During the year a contribution of £94,595 (2019 - £92,445) was made by Stoke Gifford PCC to the Church Centre as payment for the church use of the buildings. This has enabled the Trustees to progress the development of the SMC facilities and provide additional space for the whole range of church and community activities.

**Reserves policy**

At the year end, there were total reserves of £5,116,042 (2019 - £4,679,861) of which £1,138 (2019 - £1,138) was held in restricted funds and £4,967,165 (2019 - £4,500,095) in designated funds.

It is the intention that general reserves will be at least 3 months' annual operating expenditure of running the Church Centre, which currently equates to £53,846 based on 2020 operating expenditure.

At the year end free reserves were £147,739 (2019 - £178,628).

A fund of £5,897,039 (2019 - £5,556,619) represents the net book value of the Church Centre building and can only be realised by the disposal of the fixed asset.

**Funds in deficit**

The Heart of the Community Fund shows a deficit of £986,291 (2019 - £1,145,232) as a result of loans of £1,121,522 (2019 - £1,384,122) drawn down of which £409,897 (2019 - £448,497) is secured against the property. The deficit will be eliminated as funds are raised to pay off the loans.

**Report of the Trustees  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**FINANCIAL REVIEW  
COVID-19**

The trustees have considered the impact that the COVID-19 pandemic has had and will continue to have on the charitable company's current and future financial position. The main impact of COVID-19 has been the restrictions on using the facilities by (i) the church congregations and other ministries (children, youth and over-65's etc) (ii) the community users, (iii) other charity and (iv) corporate users of the facilities. External income has reduced by approximately 70% (which equates to about £126,000). The SMCC has benefitted from a reduction in direct costs and the receipt of the Coronavirus Job Retention Scheme, both of which have reduced the negative impact on the financial operation of the Centre. The Trustees have also negotiated a 6 month Capital Repayment holiday with CAF from January 2021 until June 2021.

The trustees consider that the charitable company will continue as a going concern for a period of at least 18 months from the date on which these financial statements are approved for the following reasons:

- The Trustees of the charity considers that it holds sufficient reserves (as detailed on page 2) to be sustained for the foreseeable future.
- The charity's key funders (being the CAF Bank, the Diocese of Bristol and the soft-loan lenders) have verbally confirmed their continued support of their funding for the charity.

The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1 to the financial statements.

**FUTURE PLANS**

The intention is that SMCC will continue to grow, develop and flourish in the growth of the community. It is the intention of the Trustees to continue to apply surplus funds into the on-going development of the Centre for the benefit of all church user-groups and the wider community.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is governed by its Memorandum and Articles of Association adopted on 5 October 2012, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

During 2013, a Scheme was set up with the Charity Commission under the Charities Act 2011 to discharge the Bristol Diocesan Board of Finance Limited as custodian trustee of the assets of the Old School Rooms Trust (OSRT) and appoint St Michael's Church Centre Limited (SMCC) as "Trustee for all purposes". The Scheme also provided for the transfer of title to the land previously held by the OSRT to the SMCC as custodian trustee.

The Board of the SMCC meet regularly throughout the year to review the activities of the charitable company.

**Recruitment and appointment of new trustees**

The Memorandum and Articles state that there must be at least three members at all times. Not more than three trustees may be appointed by resolution of the PCC. The PCC may remove any trustee it has appointed and may fill any vacancy arising amongst the three trustees it is entitled to appoint.

All other trustees shall be appointed by resolution of the Trustees. Trustees are elected to serve for a period of three years at a time.

**Organisational structure**

During 2019, the charity absorbed all the remaining assets of the Old School Rooms Trust (OSRT), and has become the Custodian and Managing Trustee for all purpose of all the OSRT assets. The OSRT was wound-down and deleted as a charity in October 2019.

**Report of the Trustees  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Induction and training of new trustees**

Trustees receive a short induction which includes review of the previous minutes, an update from an existing trustee and are required to review the publication 'The Essential Trustee' issued by the Charity Commission.

**Key management remuneration**

All staff who work for the PCC and the SMCC are jointly employed by St Michael's Church Centre and St Michael's Church PCC. The costs of those staff are on the payroll of St Michael's PCC but shared by both charities and are re-charged by a management charge agreed annually between the trustees of the two charities.

All St Michael's Church PCC employees are remunerated by reference to a standard salary-band matrix, which is comparative to other large churches within the Bristol area.

**Related parties**

None of the trustees receive remuneration or other benefit from their work with the charity. In the current year no other related party transactions took place with the trustees.

St Michael's Church PCC is a related party of St Michael's Church Centre (SMCC). SMCC is responsible for the construction and operation of the St Michael's Church Centre. The Centre is the continuing expression of the vision of St Michael's Church of "Living to make a difference, by being a Christian heart at the centre of the community". The SMCC and St Michael's Church PCC have two trustees in common. In order to deliver the Centre, SMCC took out low-interest loans from individuals, the Bristol Diocese (via St Michael's Church PCC), and CAF Bank. CAF Bank requested, (and the PCC of St Michael's supplied) a "letter of comfort" to signify their support of the SMCC operations.

At a PCC Meeting held on 14th July 2014 it was resolved that: "the Directors of St Michael's Church Centre Limited be supported to undertake a loan of up to £800,000 from CAF Bank (including the initial loan of £150,000) and that the St Michael's Church PCC should stand behind the Directors of St Michael's Church Centre Limited and offer a "letter of comfort" to CAF Bank in support of that loan, in regard to honouring the capital and interest repayments on that loan if required. The total value of these loans outstanding at the year end was £409,897.

Interest payments on all loans are the liability of SMCC, and are paid from SMCC funds.

**Risk management**

The major risks to which the charity and each trustee is exposed have been reviewed and, where appropriate, systems and procedures have been established to manage those risks.

The Trustees have introduced a risk management process. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing or mitigating the risks. The main risk to the SMCC is the discontinuation of regular and one-off donations from members of the St Michael's congregation for the completion of the new facilities and the repayment of the long-term loans. However, the Trustees regularly review cash-flow projections at the Trustees Board meetings, and are satisfied that, based on the last 5 years track record and experience, the SMCC remains financially healthy and solvent for the foreseeable future.

The other risks which occur within the day-to-day operation of the Church Centre are reviewed regularly by the appointed management responsible for the care of children, adults and Health and Safety within the PCC and the SMCC.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

08242432 (England and Wales)

# **ST MICHAEL'S CHURCH CENTRE LIMITED**

## **Report of the Trustees FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Registered Charity number**

1149601

### **Registered office**

St Michael's Church Office  
The Old School Rooms  
The Green, North Road  
Stoke Gifford  
Bristol  
BS34 8PD

### **Trustees**

J Spens Chair of Trustees  
C Bradley Treasurer  
I Osborne  
C M Rogers (resigned 30.9.20)  
S Denning  
L Hitchin  
C Sweetnam (appointed 12.10.20)

### **Auditors**

Haines Watts Bristol Limited  
Chartered Accountants and Statutory Auditors  
Bath House  
6-8 Bath Street  
Bristol  
BS1 6HL

### **Bankers**

Lloyds Bank  
61 Gloucester Road  
Patchway  
Bristol  
BS34 5JH

### **Web addresses**

[www.stmichaelsbristol.org](http://www.stmichaelsbristol.org)

### **AUDITORS**

The auditors, Haines Watts Bristol Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 30 April 2021 and signed on its behalf by:

J Spens - Trustee

**Trustees' Responsibility Statement  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The trustees (who are also the directors of St Michael's Church Centre Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charity SORP 2019(FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.



## **Report of the Independent Auditors to the Members of St Michael's Church Centre Limited**

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### **Opinion**

We have audited the financial statements of St Michael's Church Centre Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's operations and activities. The trustees' view on the impact of COVID-19 is disclosed in the Trustees' Report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Report of the Independent Auditors to the Members of St Michael's Church Centre Limited**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Report of the Independent Auditors to the Members of St Michael's Church Centre Limited**

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### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- A review of significant unusual transactions outside the charitable company's normal activities
- Substantive testing on journal entries for any signs of management override of controls
- Detailed review of accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Bracher BSc FCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts Bristol Limited  
Chartered Accountants and Statutory Auditors  
Bath House  
6-8 Bath Street  
Bristol  
BS1 6HL

30 April 2021

# ST MICHAEL'S CHURCH CENTRE LIMITED

## Statement of Financial Activities (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2020

|                                    | Notes | Unrestricted<br>funds<br>£ | Restricted<br>fund<br>£ | 2020<br>Total<br>funds<br>£ | 2019<br>Total<br>funds<br>£ |
|------------------------------------|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                            |                         |                             |                             |
| Donations and legacies             | 2     | 652,909                    | -                       | 652,909                     | 509,506                     |
| <b>Charitable activities</b>       |       |                            |                         |                             |                             |
| Management of the Church Centre    | 5     | 94,595                     | -                       | 94,595                      | 92,445                      |
| Raising funds                      | 3     | 54,778                     | -                       | 54,778                      | 180,866                     |
| Investment income                  | 4     | 744                        | -                       | 744                         | 2,554                       |
| <b>Total</b>                       |       | <b>803,026</b>             | <b>-</b>                | <b>803,026</b>              | <b>785,371</b>              |
| <b>EXPENDITURE ON</b>              |       |                            |                         |                             |                             |
| Raising funds                      | 6     | 6,249                      | -                       | 6,249                       | 44,214                      |
| <b>Charitable activities</b>       |       |                            |                         |                             |                             |
| Management of the Church Centre    | 7     | 258,595                    | -                       | 258,595                     | 215,893                     |
| Heart of the Community             |       | 84,910                     | -                       | 84,910                      | 100,422                     |
| Other                              | 11    | 17,091                     | -                       | 17,091                      | 27,868                      |
| <b>Total</b>                       |       | <b>366,845</b>             | <b>-</b>                | <b>366,845</b>              | <b>388,397</b>              |
| <b>NET INCOME</b>                  |       | <b>436,181</b>             | <b>-</b>                | <b>436,181</b>              | <b>396,974</b>              |
| <b>RECONCILIATION OF FUNDS</b>     |       |                            |                         |                             |                             |
| <b>Total funds brought forward</b> |       | <b>4,678,723</b>           | <b>1,138</b>            | <b>4,679,861</b>            | <b>4,282,887</b>            |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b>5,114,904</b>           | <b>1,138</b>            | <b>5,116,042</b>            | <b>4,679,861</b>            |

### CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**ST MICHAEL'S CHURCH CENTRE LIMITED (REGISTERED NUMBER: 08242432)**

**Balance Sheet**  
**31 DECEMBER 2020**

|  | Notes | Unrestricted<br>funds<br>£ | Restricted<br>fund<br>£ | 2020<br>Total<br>funds<br>£ | 2019<br>Total<br>funds<br>£ |
|--|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| <b>FIXED ASSETS</b>                          |       |                            |                         |                             |                             |
| Tangible assets                              | 17    | 5,983,903                  | -                       | 5,983,903                   | 5,590,071                   |
| <b>CURRENT ASSETS</b>                        |       |                            |                         |                             |                             |
| Debtors                                      | 18    | 3,038                      | -                       | 3,038                       | 33,596                      |
| Cash at bank                                 |       | 347,764                    | 1,138                   | 348,902                     | 463,653                     |
|  |       | <u>350,802</u>             | <u>1,138</u>            | <u>351,940</u>              | <u>497,249</u>              |
| <b>CREDITORS</b>                             |       |                            |                         |                             |                             |
| Amounts falling due within one year          | 19    | (196,202)                  | -                       | (196,202)                   | (77,518)                    |
| <b>NET CURRENT ASSETS</b>                    |       | <u>154,600</u>             | <u>1,138</u>            | <u>155,738</u>              | <u>419,731</u>              |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>6,138,503</u>           | <u>1,138</u>            | <u>6,139,641</u>            | <u>6,009,802</u>            |
| <b>CREDITORS</b>                             |       |                            |                         |                             |                             |
| Amounts falling due after more than one year | 20    | (1,023,599)                | -                       | (1,023,599)                 | (1,329,941)                 |
| <b>NET ASSETS</b>                            |       | <u>5,114,904</u>           | <u>1,138</u>            | <u>5,116,042</u>            | <u>4,679,861</u>            |
| <b>FUNDS</b>                                 | 23    |                            |                         |                             |                             |
| Unrestricted funds                           |       |                            |                         | 5,114,904                   | 4,678,723                   |
| Restricted funds                             |       |                            |                         | <u>1,138</u>                | <u>1,138</u>                |
| <b>TOTAL FUNDS</b>                           |       |                            |                         | <u>5,116,042</u>            | <u>4,679,861</u>            |

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

The financial statements were approved by the Board of Trustees and authorised for issue on 30 April 2021 and were signed on its behalf by:

C Bradley - Trustee

J Spens - Trustee

The notes form part of these financial statements

# ST MICHAEL'S CHURCH CENTRE LIMITED

## Cash Flow Statement FOR THE YEAR ENDED 31 DECEMBER 2020

|   | Notes | 2020<br>£ | 2019<br>£ |
|---|-------|-----------|-----------|
| <b>Cash flows from operating activities</b>                               |       |           |           |
| Cash generated from operations  | 1     | 617,383   | 415,806   |
| Interest paid   |       | (16,740)  | (28,189)  |
| Net cash provided by operating activities                                 |       | 600,643   | 387,617   |
| <b>Cash flows from investing activities</b>                               |       |           |           |
| Purchase of tangible fixed assets   |       | (453,538) | (194,895) |
| Interest received   |       | 744       | 2,554     |
| Sale of current asset investments   |       | -         | 30,024    |
| Net cash used in investing activities                                     |       | (452,794) | (162,317) |
| <b>Cash flows from financing activities</b>                               |       |           |           |
| Loan repayments in year   |       | (262,600) | (156,290) |
| Net cash used in financing activities                                     |       | (262,600) | (156,290) |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       | (114,751) | 69,010    |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | 463,653   | 394,643   |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       | 348,902   | 463,653   |

The notes form part of these financial statements

**Notes to the Cash Flow Statement**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|   | <b>2020</b>           | 2019           |
|---|-----------------------|----------------|
|   | <b>£</b>              | £              |
| <b>Net income for the reporting period (as per the Statement of Financial Activities)</b> | <b>436,181</b>        | 396,974        |
| <b>Adjustments for:</b>   |                       |                |
| Depreciation charges  | <b>59,706</b>         | 13,130         |
| Interest received   | <b>(744)</b>          | (2,554)        |
| Interest paid   | <b>16,740</b>         | 28,189         |
| Decrease/(increase) in debtors  | <b>30,558</b>         | (18,008)       |
| Increase/(decrease) in creditors  | <b>74,942</b>         | (1,925)        |
|   | <u><b>617,383</b></u> | <u>415,806</u> |

**2. ANALYSIS OF CHANGES IN NET DEBT**

|                                 | At 1.1.20               | Cash flow             | At 31.12.20             |
|---------------------------------|-------------------------|-----------------------|-------------------------|
|                                 | £                       | £                     | £                       |
| <b>Net cash</b>                 |                         |                       |                         |
| Cash at bank                    | <u>463,653</u>          | <u>(114,751)</u>      | <u>348,902</u>          |
|                                 | <u>463,653</u>          | <u>(114,751)</u>      | <u>348,902</u>          |
| <b>Debt</b>                     |                         |                       |                         |
| Debts falling due within 1 year | (54,181)                | (43,742)              | (97,923)                |
| Debts falling due after 1 year  | <u>(1,329,941)</u>      | <u>306,342</u>        | <u>(1,023,599)</u>      |
|                                 | <u>(1,384,122)</u>      | <u>262,600</u>        | <u>(1,121,522)</u>      |
| <b>Total</b>                    | <u><u>(920,469)</u></u> | <u><u>147,849</u></u> | <u><u>(772,620)</u></u> |

The notes form part of these financial statements

**Notes to the Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity is a company, incorporated in England and Wales, limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute £1 towards the costs of dissolution and liabilities incurred by the charitable company in the event of the company being wound up. The address of the registered office is given in the charity information on pages 4 to 5 of these financial statements.

The financial statements are prepared in sterling which is the functional currency of the charitable company and are rounded to the nearest £.

At the end of the year, the charitable company had net current assets of £213,238 and creditors falling due after one year of £1,081,099 of which £98,986 is repayable between one and two years.

Projections prepared on behalf of the Trustees indicate that whilst sufficient cash will be generated to fund external borrowings, the assumptions on which the projections are based are subject to the uncertainty of whether they will be realised and achieved. These uncertainties therefore have a potential impact on the future ability of the charitable company to remain a going concern. Whilst there is no impact on the current set of the financial statements Trustees believe it is appropriate to bring this to the attention to the readers of these financial statements.

The financial statements have been prepared on a going concern basis after consideration by the Trustees of the potential impact of COVID-19.

The Trustees have tested their cash flow analysis to take into account the impact on the charitable company of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. The trustees have considered the impact of this issue on the charity's current and future financial position. The charity holds general reserves of £147,739, and a cash balance of £348,902. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

**Income**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The value of services provided by volunteers has not been included.

**Voluntary income**

Donations are recognised when received and gift aid is recognised on an accruals basis in line with the donation. Grants are also recognised on a receivable basis. Pledges are not recognised until they are received.

Grants and legacies to the charity are accounted for as soon as the charity is notified of its legal entitlement and the amount due.



**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES - continued**

**Income**

**Investment income**

Investment income is recognised on an accruals basis and represents income from deposit funds, short and long term investments.

**Rental income**

Rental income and the provision of refreshments to hirers, is recognised within Other Trading Activities and is accounted for in the period to which the event takes place.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Raising funds**

Costs of generating voluntary income are recognised on an accruals basis in the period to which they relate.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                                    |  |
|------------------------------------|--|
| Fixtures and fittings              | - 5 years straight line (equipment), 15 years straight line (kitchen)      |
| Freehold property (excluding land) | - 50 years straight line (fit-out), 200 years straight line (construction) |

All fixed assets are initially recorded at cost. The cost of construction of the Church Centre, including surveying and engineering costs, has been capitalised. During the year the construction of the building was completed. Depreciation has been charged for the full year based on the respective rates of the constituent parts of the build.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds form part of the unrestricted funds and have been identified as being for particular purposes by 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 funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES - continued**

**Debtors**

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

**Creditors**

The charity has creditors which are measured at settlement amounts.

**Cash and short term investments**

Cash at bank is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

**Donated goods, services and facilities**

Donated goods, services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated goods, services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity 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.

**Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

**Concessionary loans**

Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. The charity has applied S34 of FRS102 with regards to the valuation of loans to public benefit entities so that discounted present value and an associated interest charge are not recognised. All loans are measured at cost.

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. DONATIONS AND LEGACIES**

|           | <b>2020</b>           | <b>2019</b>           |
|-----------|-----------------------|-----------------------|
|           | <b>£</b>              | <b>£</b>              |
| Donations | <b>518,108</b>        | 484,485               |
| Gift aid  | <b>124,378</b>        | 24,771                |
| Grants    | <b>10,423</b>         | 250                   |
|           | <b><u>652,909</u></b> | <b><u>509,506</u></b> |

Grants received, included in the above, are as follows:

|                               | <b>2020</b>          | <b>2019</b>       |
|-------------------------------|----------------------|-------------------|
|                               | <b>£</b>             | <b>£</b>          |
| South Gloucestershire Council | -                    | 250               |
| HMRC Job Retention Scheme     | <b>10,423</b>        | -                 |
|                               | <b><u>10,423</u></b> | <b><u>250</u></b> |

**3. RAISING FUNDS**

|                                 | <b>2020</b>          | <b>2019</b>           |
|---------------------------------|----------------------|-----------------------|
|                                 | <b>£</b>             | <b>£</b>              |
| Fundraising events              | <b>481</b>           | 14,273                |
| Room hire                       | <b>45,564</b>        | 107,380               |
| Refreshments and other services | <b>8,222</b>         | 53,748                |
| Other income                    | <b>511</b>           | 5,465                 |
|                                 | <b><u>54,778</u></b> | <b><u>180,866</u></b> |

**4. INVESTMENT INCOME**

|                            | <b>2020</b>       | <b>2019</b>         |
|----------------------------|-------------------|---------------------|
|                            | <b>£</b>          | <b>£</b>            |
| Deposit account interest   | <b>744</b>        | 2,542               |
| CBF Deposit funds interest | -                 | 12                  |
|                            | <b><u>744</u></b> | <b><u>2,554</u></b> |

# ST MICHAEL'S CHURCH CENTRE LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2020

### 5. INCOME FROM CHARITABLE ACTIVITIES

|                             |                                 | 2020          | 2019          |
|-----------------------------|---------------------------------|---------------|---------------|
|                             | Activity                        | £             | £             |
| Contribution for Church use | Management of the Church Centre | <u>94,595</u> | <u>92,445</u> |

### 6. RAISING FUNDS

#### Other trading activities

|  | 2020         | 2019          |
|--|--------------|---------------|
|  | £            | £             |
| Bad debts                                | (354)        | (229)         |
| Cost of fundraising events               | 281          | 6,659         |
| Costs of refreshments and other services | <u>6,322</u> | <u>37,784</u> |
|  | <u>6,249</u> | <u>44,214</u> |

### 7. CHARITABLE ACTIVITIES COSTS

|                                 | Direct<br>Costs (see<br>note 8) | Grant<br>funding of<br>activities<br>(see note<br>9) | Support<br>costs (see<br>note 10) | Totals         |
|---------------------------------|---------------------------------|--|-----------------------------------|----------------|
|                                 | £                               | £  | £                                 | £              |
| Management of the Church Centre | 254,635                         | -  | 3,960                             | 258,595        |
| Heart of the Community          | -                               | 84,910   | -                                 | 84,910         |
|                                 | <u>254,635</u>                  | <u>84,910</u>  | <u>3,960</u>                      | <u>343,505</u> |

### 8. DIRECT COSTS OF CHARITABLE ACTIVITIES

|  | 2020           | 2019           |
|--|----------------|----------------|
|  | £              | £              |
| Rates and water  | 1,253          | 3,675          |
| Insurance  | 8,804          | 7,600          |
| Light and heat   | 17,139         | 19,004         |
| Contribution to PCC for cleaner and caretaker          | 1,061          | 1,521          |
| Contribution to PCC for administrator                  | 49,486         | 49,380         |
| Contribution to PCC for facilities & hospitality staff | 64,458         | 58,083         |
| Discipleship Year Costs                                | 2,100          | -              |
| Repairs and maintenance                                | 29,958         | 28,003         |
| Cleaning materials and windows                         | 9,531          | 18,791         |
| Licences   | 158            | 290            |
| Other professional fees                                | -              | 3,390          |
| Sundries   | 10,762         | 9,705          |
| Depreciation   | 59,706         | 13,130         |
| Interest payable and similar charges                   | 219            | 321            |
|  | <u>254,635</u> | <u>212,893</u> |

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. GRANTS PAYABLE**

|   | <b>2020</b>   | 2019    |
|---|---------------|---------|
|   | <b>£</b>      | £       |
| Heart of the Community  | <b>84,910</b> | 100,422 |
| The total grants paid to institutions during the year was as follows: |               |         |
|   | <b>2020</b>   | 2019    |
|   | <b>£</b>      | £       |
| Univida   | <b>15,000</b> | 20,000  |
| CMS Rocks   | <b>7,000</b>  | 13,000  |
| Moldova Mission   | <b>3,750</b>  | 4,922   |
| The Brickworks  | <b>10,560</b> | 10,000  |
| SIITA Nest  | -             | 7,500   |
| Crisis Centre   | -             | 20,000  |
| Christ Church Downend   | -             | 20,000  |
| Clwb Coffi Ltd  | -             | 5,000   |
| Network Counselling   | <b>10,000</b> | -       |
| The Parish of Filwood Church  | <b>20,000</b> | -       |
| The Hive Community Centre   | <b>8,600</b>  | -       |
| St James Church, Mangotsfield   | <b>10,000</b> | -       |
|   | <b>84,910</b> | 100,422 |

Grants payable to individuals in the previous year have been reclassified to institutions to reflect the nature of the grants.

In accordance with the expressed desire to tithe 10 per cent of donations to the the HOTC project £63,838 (2019 - £52,621) has been set aside in the tithe designated fund to be available for grant funding and £84,910 was expended during the year.

**10. SUPPORT COSTS**

|                                 | Governance costs |
|---------------------------------|------------------|
|                                 | £                |
| Management of the Church Centre | <b>3,960</b>     |

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. SUPPORT COSTS - continued**

Support costs, included in the above, are as follows:

**Governance costs**

|   | <b>2020</b>                                   | <b>2019</b>              |
|---|---|--------------------------|
|   | Management<br>of the<br>Church<br>Centre<br>£ | Total<br>activities<br>£ |
| Auditors' remuneration                    | <b>2,375</b>                                  | <b>1,800</b>             |
| Auditors' remuneration for non audit work | <b>1,585</b>                                  | <b>1,200</b>             |
|   | <b>3,960</b>                                  | <b>3,000</b>             |

**11. OTHER**

|                                      | <b>2020</b>   | <b>2019</b> |
|--------------------------------------|---------------|-------------|
|                                      | £             | £           |
| Church Centre project costs          | <b>570</b>    | -           |
| Interest payable and similar charges | <b>16,521</b> | 27,868      |
|                                      | <b>17,091</b> | 27,868      |

**12. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|                             | <b>2020</b>   | <b>2019</b> |
|-----------------------------|---------------|-------------|
|                             | £             | £           |
| Depreciation - owned assets | <b>59,706</b> | 13,130      |

**13. AUDITORS' REMUNERATION**

|  | <b>2020</b>  | <b>2019</b> |
|--|--------------|-------------|
|  | £            | £           |
| Fees payable to the charity's auditors for the audit of the charity's financial statements | <b>2,375</b> | 1,800       |
| Accounts preparation   | <b>1,585</b> | 1,200       |
| Total fees payable   | <b>3,960</b> | 3,000       |

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**15. STAFF COSTS**

Staff costs of £115,005 (2019 - £108,984) were incurred by Stoke Gifford PCC for staff who are jointly employed by the PCC and SMCC Ltd. The contributions that have been made by SMCC Ltd are included in charitable activities expenditure.

During 2020, the total employee benefits paid to the charity's key management personnel who are jointly employed by St Michael's PCC and the charity was £17,686 (2019 - £17,288). Employers NIC to key management personnel totalled £2,141 (2019 - £2,090) and pension contributions were paid totalling £931 (2019 - £913).

**16. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|                                   | Unrestricted<br>funds<br>£ | Restricted<br>fund<br>£ | Total<br>funds<br>£ |
|-----------------------------------|----------------------------|-------------------------|---------------------|
| <b>INCOME AND ENDOWMENTS FROM</b> |                            |                         |                     |
| Donations and legacies            | 509,256                    | 250                     | 509,506             |
| <b>Charitable activities</b>      |                            |                         |                     |
| Management of the Church Centre   | 92,445                     | -                       | 92,445              |
| Raising funds                     | 180,866                    | -                       | 180,866             |
| Investment income                 | 2,554                      | -                       | 2,554               |
| <b>Total</b>                      | <b>785,121</b>             | <b>250</b>              | <b>785,371</b>      |
| <b>EXPENDITURE ON</b>             |                            |                         |                     |
| Raising funds                     | 44,214                     | -                       | 44,214              |
| <b>Charitable activities</b>      |                            |                         |                     |
| Management of the Church Centre   | 215,758                    | 135                     | 215,893             |
| Heart of the Community            | 100,422                    | -                       | 100,422             |
| Other                             | 27,868                     | -                       | 27,868              |
| <b>Total</b>                      | <b>388,262</b>             | <b>135</b>              | <b>388,397</b>      |
| <b>NET INCOME</b>                 | <b>396,859</b>             | <b>115</b>              | <b>396,974</b>      |

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**16. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

|                                    | Unrestricted<br>funds<br>£ | Restricted<br>fund<br>£ | Total<br>funds<br>£ |
|------------------------------------|----------------------------|-------------------------|---------------------|
| <b>RECONCILIATION OF FUNDS</b>     |                            |                         |                     |
| <b>Total funds brought forward</b> | 4,281,864                  | 1,023                   | 4,282,887           |
| <b>TOTAL FUNDS CARRIED FORWARD</b> | <u>4,678,723</u>           | <u>1,138</u>            | <u>4,679,861</u>    |

**17. TANGIBLE FIXED ASSETS**

|                       | Freehold<br>property<br>£ | Fixtures<br>and<br>fittings<br>£ | Totals<br>£      |
|-----------------------|---------------------------|----------------------------------|------------------|
| <b>COST</b>           |                           |                                  |                  |
| At 1 January 2020     | 5,556,619                 | 70,543                           | 5,627,162        |
| Additions             | 397,002                   | 56,536                           | 453,538          |
| Reclassification      | (13,845)                  | 13,845                           | -                |
| At 31 December 2020   | <u>5,939,776</u>          | <u>140,924</u>                   | <u>6,080,700</u> |
| <b>DEPRECIATION</b>   |                           |                                  |                  |
| At 1 January 2020     | -                         | 37,091                           | 37,091           |
| Charge for year       | 42,737                    | 16,969                           | 59,706           |
| At 31 December 2020   | <u>42,737</u>             | <u>54,060</u>                    | <u>96,797</u>    |
| <b>NET BOOK VALUE</b> |                           |                                  |                  |
| At 31 December 2020   | <u>5,897,039</u>          | <u>86,864</u>                    | <u>5,983,903</u> |
| At 31 December 2019   | <u>5,556,619</u>          | <u>33,452</u>                    | <u>5,590,071</u> |

The asset value of Freehold Property of £5,897,039 in the Balance Sheet represents the cumulative expenditure on the acquisition of the land, all construction costs and associated professional fees incurred to date less depreciation.



**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                        | <b>2020</b>  | <b>2019</b> |
|------------------------|--------------|-------------|
|                        | <b>£</b>     | <b>£</b>    |
| Trade debtors          | <b>412</b>   | 27,590      |
| Other debtors          | <b>1,317</b> | 288         |
| Prepayments            | <b>88</b>    | 3,792       |
| Income tax recoverable | <b>1,221</b> | 1,926       |
|                        | <b>3,038</b> | 33,596      |

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                           | <b>2020</b>    | <b>2019</b> |
|---------------------------|----------------|-------------|
|                           | <b>£</b>       | <b>£</b>    |
| Other loans (see note 21) | <b>97,923</b>  | 54,181      |
| Trade creditors           | <b>673</b>     | 9,935       |
| Accrued expenses          | <b>97,606</b>  | 13,402      |
|                           | <b>196,202</b> | 77,518      |

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                           | <b>2020</b>      | <b>2019</b> |
|---------------------------|------------------|-------------|
|                           | <b>£</b>         | <b>£</b>    |
| Other loans (see note 21) | <b>1,023,599</b> | 1,329,941   |

**21. LOANS**

An analysis of the maturity of loans is given below:

|  | <b>2020</b>   | <b>2019</b> |
|--|---------------|-------------|
|  | <b>£</b>      | <b>£</b>    |
| Amounts falling due within one year on demand: |               |             |
| Other loans - individuals                      | <b>57,500</b> | -           |
| Other loans - Bristol Diocese                  | -             | 15,625      |
| Other loans - CAF                              | <b>40,423</b> | 38,556      |
|  | <b>97,923</b> | 54,181      |
| Amounts falling between one and two years:     |               |             |
| Other loans - 1-2 years - individuals          | -             | 81,000      |
| Other loans 1-2 years - CAF                    | <b>41,486</b> | 40,423      |
|  | <b>41,486</b> | 121,423     |

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**21. LOANS - continued**

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Amounts falling due between two and five years: |                |                |
| Other loans 2-5 years - individuals             | 326,000        | 48,000         |
| Other loans 2-5 years - Bristol Diocese         | 328,125        | -              |
| Other loans 2-5 years - CAF                     | 131,124        | 127,762        |
|   | <u>785,249</u> | <u>175,762</u> |
| Amounts falling due in more than five years:    |                |                |
| Repayable by instalments:                       |                |                |
| Other loans more 5yrs - CAF                     | 196,864        | 241,756        |
| Repayable otherwise than by instalments:        |                |                |
| Other loans more 5yrs - individuals             | -              | 416,000        |
| Other loans more 5yrs - Bristol Diocese         | -              | 375,000        |
|   | <u>-</u>       | <u>791,000</u> |

**CONCESSIONARY LOANS**

Amount of concessionary loans received

|  | 2020<br>£      | 2019<br>£      |
|--|----------------|----------------|
| Loans from individuals                 | <u>383,500</u> | <u>545,000</u> |
| Amounts payable after less than 1 year | -              | -              |
| Amounts payable in more than 1 year    | 383,500        | 545,000        |

Loans from individuals have been provided at nil rate of interest.

**22. SECURED DEBTS**

The following secured debts are included within creditors:

|                   | 2020<br>£      | 2019<br>£      |
|-------------------|----------------|----------------|
| Other loans - CAF | 409,897        | 448,497        |
|                   | <u>409,897</u> | <u>448,497</u> |

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. MOVEMENT IN FUNDS**

|   | At 1.1.20<br>£          | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At<br>31.12.20<br>£     |
|---|-------------------------|----------------------------------|------------------------------------|-------------------------|
| <b>Unrestricted funds</b>                   |                         |                                  |                                    |                         |
| General fund                                | 178,628                 | (23,461)                         | (7,428)                            | 147,739                 |
| Heart of the Community Fund<br>(designated) | (1,145,232)             | 604,508                          | (445,567)                          | (986,291)               |
| Church Centre Property Fund (designated)    | 5,556,619               | (42,737)                         | 383,157                            | 5,897,039               |
| Tithe fund (designated)                     | 68,708                  | (84,945)                         | 63,838                             | 47,601                  |
| Fabric fund (designated)                    | 20,000                  | (17,184)                         | 6,000                              | 8,816                   |
|   | <u>4,678,723</u>        | <u>436,181</u>                   | <u>-</u>                           | <u>5,114,904</u>        |
| <b>Restricted funds</b>                     |                         |                                  |                                    |                         |
| Library fund                                | 1,138                   | -                                | -                                  | 1,138                   |
|   | <u>1,138</u>            | <u>-</u>                         | <u>-</u>                           | <u>1,138</u>            |
| <b>TOTAL FUNDS</b>                          | <u><u>4,679,861</u></u> | <u><u>436,181</u></u>            | <u><u>-</u></u>                    | <u><u>5,116,042</u></u> |

Net movement in funds, included in the above are as follows:

|   | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b>                   |                            |                            |                           |
| General fund                                | 161,547                    | (185,008)                  | (23,461)                  |
| Heart of the Community Fund<br>(designated) | 641,479                    | (36,971)                   | 604,508                   |
| Church Centre Property Fund (designated)    | -                          | (42,737)                   | (42,737)                  |
| Tithe fund (designated)                     | -                          | (84,945)                   | (84,945)                  |
| Fabric fund (designated)                    | -                          | (17,184)                   | (17,184)                  |
|   | <u>803,026</u>             | <u>(366,845)</u>           | <u>436,181</u>            |
| <b>TOTAL FUNDS</b>                          | <u><u>803,026</u></u>      | <u><u>(366,845)</u></u>    | <u><u>436,181</u></u>     |

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

|   | At 1.1.19<br>£   | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At<br>31.12.19<br>£ |
|---|------------------|----------------------------------|------------------------------------|---------------------|
| <b>Unrestricted funds</b>                   |                  |                                  |                                    |                     |
| General fund                                | 165,934          | 32,694                           | (20,000)                           | 178,628             |
| Heart of the Community Fund<br>(designated) | (1,389,770)      | 464,637                          | (220,099)                          | (1,145,232)         |
| Church Centre Property Fund (designated)    | 5,389,141        | -                                | 167,478                            | 5,556,619           |
| Tithe fund (designated)                     | 116,559          | (100,472)                        | 52,621                             | 68,708              |
| Fabric fund (designated)                    | -                | -                                | 20,000                             | 20,000              |
|   | <u>4,281,864</u> | <u>396,859</u>                   | <u>-</u>                           | <u>4,678,723</u>    |
| <b>Restricted funds</b>                     |                  |                                  |                                    |                     |
| Library fund                                | 1,023            | 115                              | -                                  | 1,138               |
|   | <u>1,023</u>     | <u>115</u>                       | <u>-</u>                           | <u>1,138</u>        |
| <b>TOTAL FUNDS</b>                          | <u>4,282,887</u> | <u>396,974</u>                   | <u>-</u>                           | <u>4,679,861</u>    |

Comparative net movement in funds, included in the above are as follows:

|   | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b>                   |                            |                            |                           |
| General fund                                | 271,461                    | (238,767)                  | 32,694                    |
| Heart of the Community Fund<br>(designated) | 513,660                    | (49,023)                   | 464,637                   |
| Tithe fund (designated)                     | -                          | (100,472)                  | (100,472)                 |
|   | <u>785,121</u>             | <u>(388,262)</u>           | <u>396,859</u>            |
| <b>Restricted funds</b>                     |                            |                            |                           |
| Library fund                                | 250                        | (135)                      | 115                       |
|   | <u>250</u>                 | <u>(135)</u>               | <u>115</u>                |
| <b>TOTAL FUNDS</b>                          | <u>785,371</u>             | <u>(388,397)</u>           | <u>396,974</u>            |

**Funds**

**Heart of the Community Fund (designated)**

This represents the Heart of the Community Project asset value excluding the value of the Church Centre building.

The negative fund includes loans of £1,121,522 (2019 - £1,384,122) outstanding at the year end of which £409,897 (2019 - £448,497) is secured against the property.

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. MOVEMENT IN FUNDS - continued**

**Funds - continued**

**Church Centre Property Fund (designated)**

Representing the net book value of the Church Centre building.

A transfer of £383,157 (2019 - £167,478) was made from the Heart of the Community Fund to the Church Centre Building Fund to reflect the expenditure on the build.

**Tithe fund (designated)**

A transfer was made into this fund of £63,838 (2019 - £52,621) to represent the total amounts which have been designated to pay out as grants.

**Fabric fund (designated)**

Created to set aside a fund for current and future provisions for maintaining the fabric of the Church Centre. During the year a transfer was made into this fund of £6,000 (2019 - £12,000)

**Library fund (restricted)**

This represents funding provided specifically for the development of the community library, a joint initiative with South Gloucestershire Council.

**Comparative analysis of net assets between funds, are as follows:**

| Fund balances as at 31 December 2019 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|--------------------------------------|----------------------------|--------------------------|---------------------|
| Fixed assets                         | 5,590,071                  | -                        | 5,590,071           |
| Current assets                       | 496,111                    | 1,138                    | 497,249             |
| Current liabilities                  | (77,518)                   | -                        | (77,518)            |
| Non-current liabilities              | (1,329,941)                | -                        | (1,329,941)         |
| <b>Total net assets</b>              | <b>4,678,723</b>           | <b>1,138</b>             | <b>4,679,861</b>    |

**24. RELATED PARTY DISCLOSURES**

On 30th June 2014, Stoke Gifford PCC received a loan of £375,000 from the Diocese of Bristol in support of the construction of the Church Centre. This loan was at an interest rate of 0.55% over the CCLA base rate (currently 0.10%), and it is required to be repaid by 30th June 2024 as funds allow. On 16th July 2014, these monies were onward loaned to SMCC on the same basis as Stoke Gifford PCC received the loan from the Diocese. On 15th May 2015, Stoke Gifford PCC received an additional Diocesan loan of £250,000 to be repaid over a 5 year period, at an interest rate based on the average interest rate declared by the CBF Deposit Fund, plus 1% over that base, incrementing by ½% each year from 2016 until 3% over base in 2018. The £250,000 loan was fully repaid by the end of May 2020. At the year end, the balance outstanding was £328,125 (2019 - £390,625).

**Notes to the Financial Statements - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**24. RELATED PARTY DISCLOSURES - continued**

During 2014, it was agreed that Stoke Gifford PCC should stand behind the Directors of St Michael's Church Centre Limited (SMCC) and offer a "letter of comfort" to CAF Bank in support of that loan of £800,000, in regard to honouring the capital and interest repayments on that loan if required. Whilst this letter of comfort does not form a legal guarantee, it does represent the commitment of the PCC to support the charitable purpose of the SMCC. At the year end, the balance outstanding was £409,897 (2019 - £448,497).

During the year, a contribution of £94,595 (2019 - £92,445) was received from Stoke Gifford PCC in recognition of the use of the Church Centre and Old School Rooms for church activities.

Contributions of £49,486 (2019: £49,380) and £65,519 (2019: £59,604) have been paid to Stoke Gifford PCC in recognition of work carried out by employees who are jointly employed by the PCC and SMCC, for administration and building maintenance of the Church Centre respectively.

**Donations from trustees and related parties**

The aggregate donations received from trustees were £89,715 (2019 - £41,710).

**Other related party transactions**

During the year grants of £10,560 (2019 - £10,000) were paid to The Brickworks. SMCC and The Brickworks have one trustee in common.