

Company Registration No. 05899708
Charity Registration No. 1117985

CITYGATE CHURCH
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2014

Saffery Champness
CHARTERED ACCOUNTANTS

TUESDAY



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CITYGATE CHURCH

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CITYGATE CHURCH

TRUSTEES AND TRUST INFORMATION YEAR ENDED 31 DECEMBER 2014

Trustees

Mr J S Salway
Mr S M A Theunissen
Mr A C Lawrence
Mrs C M Kirkham
Mr C C Morse
Mr C Vessey

Auditors

Saffery Champness
Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Solicitors

Lester Aldridge
Russell House
Oxford Road
Bournemouth
Dorset
BH8 8EX

Bankers

Lloyds Bank Plc
84 Victoria Road
Ferndown
Dorset
BH22 9JB

Royal Bank of Scotland Plc
49-51 Old Christchurch Road
Bournemouth
Dorset
BH1 1EG

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

HSBC Bank Plc
59 Old Christchurch Road
Bournemouth
Dorset
BH1 1EA

CITYGATE CHURCH

TRUSTEES AND TRUST INFORMATION (Continued) **YEAR ENDED 31 DECEMBER 2014**

Company Registration Number	05899708
Charity Number	1117985
Principal Office	138A Holdenhurst Road Bournemouth Dorset BH8 8AS
Elders	Mr G Miller Mr R White Mr M Flood (resigned September 2014) Mr J Hosier Mr A C Lawrence

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Directors Report

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their Report and Financial Statements of the Charity for the year ended 31 December 2014.

The trustees named on page 1 served throughout the year.

Objectives and Activities

Principal Objectives

The main objectives of Citygate Church are to advance the Christian faith, to proclaim and further the gospel of God the Father, the Son and the Holy Spirit and to preach and teach the Christian faith.

To relieve sickness, poverty and distress to persons in need by virtue of age or social or economic circumstances.

To advance the education whether of children or of adults.

To further such other charitable purposes as the trustees from time to time in their absolute discretion determine.

Principal Activities

In order to achieve its objectives, Citygate Church works through the following core activities:

Sunday meetings – Citygate Church meets on Sunday mornings for worship and preaching of the gospel message.

Alpha and Beta courses – a series of seminars and discussion groups for Christians and non-Christians alike, used to help people from all backgrounds explore Christianity.

“Join Us” course – a course for those seeking to become members of Citygate Church. The course enables anyone to explore the vision of Citygate Church.

Youth and children’s work – Citygate has a wide range of activity groups for children. Our Sunday activities include four age-appropriate groups for children which aim to teach the authentic Christian message through fun and engaging activities. There are also two youth groups for ages 11-18 who meet midweek. These groups are fun, thriving communities where young people grow and develop in their faith.

Students and twenties - Citygate students and twenties reach out to those in higher education, at BU, AUCB and out in the workplace. This group is an integral part of Citygate’s make-up.

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Oversees Mission Work

Sudan Project – a project set up over 10 years ago, to support Bible Translation into the Toposan language in Sudan. Since the work started, we have seen two churches established as well as a school.

India Mission Support – a project run by Steve and Beth Deveraj in Tamil Nadu, India, involving the establishment of a school in a rural district of India as well as leading a local church.

Bursary Fund – Citygate is committed to mission. A fund has been set up to contribute towards mission trips abroad for Citygate members looking to gain mission experience in different cultures.

Local Community Outreach

Streetlife Project – continuing outreach to female sex workers in Bournemouth, providing friendship, practical support, prayer and help in getting free from abuse and addiction.

Little Acorns – a weekly mums and toddlers group gathering over 35 adults and a further 45 children. This work has grown significantly over the years and now has over 20 families on a waiting list for places.

General Community Groups – church members are placed in local small groups to meet together during the week and to outreach within their localities. These groups are a means by which members grow in their faith, and have access to prayer and practical support towards that growth, including assistance with overcoming lifestyle issues.

Specific Community Groups – we have launched a number of new community groups with a mission focus in 2014, aimed at reaching out to those in a specific location, people group or passion. We also have a number of groups with a focus on supporting and caring for people going through similar situations.

Pastoral Care – we have a pastoral team who look to care for those in need of support, whether they are going through tough situations in work life or home life, or whether they are looking to grow in their faith through discipleship.

Achievements and performance

Overview

The year has seen Citygate Church focus on developing its core activities and grow in momentum in all our local and overseas initiatives which are detailed below. We have also continued to fit out the Citygate Centre which is now fully functional on the ground floor level.

At the end of 2014 we had seen 30 new members added, 16 people baptised, 40 people complete our Alpha courses and over 300 people wanting to know more about Citygate Church or get involved. We also had over 750 people at our two Christmas carol events which included many guests who may have heard the Christian message for the first time. Although numerical growth is important, we are more concerned with personal lives being changed by the gospel and we are therefore thrilled with the many testimonies of people who have been affected in this way throughout the year

Review of the year's activities

Each of the areas of activities of Citygate Church along with the development of the Citygate Centre are outlined below with significant achievements for 2014 noted.

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Principal Activities

One of Citygate Church's key activities are our Sunday meetings where our focus is to worship God, preach from the Bible and offer prayer for those in need or those wanting to grow in their faith. It is also an opportunity to welcome new people from all walks of life and help each person to find their place in Citygate Church. In 2014 we have seen an increase in visitors to Citygate Church with over 360 filling in our 'first time guest' cards. We have also seen high numbers of guests at our special Sunday meetings including Baptisms, Dedications, Easter and Christmas celebrations.

Through the second half of 2014 and in to 2015, we have been investing time and resources in to our welcome and integration process, helping those who are new to Citygate Church find their place, whether through Alpha or Beta, joining a community group or serving in established volunteer teams.

Our Alpha and Beta courses were well attended in the year with 40 people completing all 7 sessions of our Alpha course. We also had 30 new members come through our Join Us course and are getting established in building community and in mission.

2014 was a year of growth in the children and youth work, with a high of 85 children on one of our Sundays during the year and consistently working with around 70 children each week. A real highlight of the year was the Family Christmas Celebration where we had around 160 children and their families attending. A number of those attending were invited through our local community outreach groups as well as the local primary school which we have a good relationship with.

We also launched a weekly community group for 14-18's during the year as we look to equip the younger generation in their faith.

Overseas Mission Work

The Sudan Project continues to grow and develop. Our goal over the last few years was to see this project become self-sustainable. In 2014 we gave a proportion of our Building Fund Gift Week to the project but stopped regular funding of the work to help with this transition into self-sustainability. We will look to fund specific projects within the overall work, as and when required.

The projects in Tamil Nadu in India are continuing to serve the local community, with two churches now established, a school serving over 600 pupils, as well as an agricultural initiative. There is also a children's home to care for orphans and vulnerable children.

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Local Community Outreach

Our established local ministries and projects such as Streetlife and Little Acorns continue to support and serve the local community. In 2014 we set up a number of new community ministries to serve different spheres of our society:

A community group working in the women's refuge, providing friendship, support and prayer to vulnerable women.

A group providing free, educational English to over 100 Internationals in a relational style setting.

A coffee morning for the over 60s, providing friendship and support on a weekly basis.

A community choir with crèche facilities, providing friendship and support to vulnerable mums through a shared love of music.

These new groups are making a tangible difference in people's lives and we are seeing a number of those attending also being integrated into our Sunday morning meetings.

The Citygate Centre

Having relocated to the Citygate Centre in 2013, we were able to fully utilise this excellent facility throughout 2014. Our Building Fund Gift Week allowed us to fit out the toilet facilities in the Community Wing as well as carpet the main auditorium. Our regular Building fund income is also covering our mortgage payments on our £1m facility with HSBC.

Citygate Events Ltd, Citygate Church's trading arm, also started trading in 2014. We have managed to attract a diverse range of clients for hiring the venue, from community enterprises to corporate businesses as well as Citygate and Commission ministries.

Citygate Events Ltd had a turnover of just over £63k for the year. This income has allowed us to significantly subsidise the centre running costs and we look to grow our turnover in subsequent years.

In September 2014 we set up a lease agreement for the St Swithun's building with St Swithun's Church with an option to buy in 2016. This lease has allowed us to cover any repairs and running costs for the St Swithun's site as well as set aside reserves for future periods. The potential sale of this site in 2016 will allow us to significantly reduce our mortgage facility on the Citygate Centre.

Communications and resources

Citygate Church has maintained a regularly updated website which is a central point for resources, up-coming events, media archives and information about Citygate Church. This website has valuable resources in all areas of our work.

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Financial Review

Incoming resources

Total incoming resources for the year were just over £702k. This income is made up of donations, event ticket income, rental income and gifted profits from Citygate Events Ltd.

Unrestricted donations are mainly received from Citygate Church members and those who would call Citygate their church. These gifts amounted to just over £366k. Gifted profits from Citygate Events Ltd amounted to £51.4k. We received rental income of just over £26.6k for the hire of our St Swithun's site. This included hire to local language schools in the summer months as well as our new lease agreement with St Swithun's church.

We also received donations in to our designated Building Fund used mainly for continuing to fit out the Citygate Centre and to cover our mortgage facility. These gifts amounted to £181.1k.

We received donations for Beacon Church Bridport in a restricted fund as we continue to support this fledging church administratively. Please see the notes on restricted funds below.

Resources Expended

Total resources expended were just over £498k in 2014. This was distributed in the form of mission activities of £45k; direct expenditure of £162k; staff costs of £233k; governance costs of £12k and support costs of £58.5k.

The year-end accounts show further analysis on how the funds were distributed in line with charitable activities.

A total of £41.1k of restricted funds were spent for their specified purpose. Please see the notes on restricted funds below.

Funds and Balance Sheet

The fixed assets of the charity stood at just over £2.59m at the year end. The debtors balance was £17k and includes prepayments of nearly £4.5k. Cash in hand and at bank was just over £158k.

The creditors falling due within one year had a balance of £89k of which £13.4k was deferred income for 2015.

At the year end, total capital and reserves held were £1.64m, of which £18k is for restricted purposes.

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Future objectives

The objective for 2015 and beyond is to continue where 2014 left off with a focus on building our sense of community both within Citygate Church and looking to affect the local area.

This means establishing our newer community ministries as well as pursuing other new initiatives that will allow us to take the gospel to the areas we believe we are called to pursue.

We will continue to welcome visitors from all walks of life whether through our community outreach or during our Sunday services and integrate them in to Citygate church, helping them to find their place to belong.

Our Alpha and Beta courses will continue to be key activities in helping people to explore Christianity and grow in their faith.

Pastoral care, whether through our community groups, or one to one care is also a key priority in 2015 as we look to see people grow and develop in maturity and faith and live the Christian life.

Finally, continuing to build a strong administrative base is key in order to facilitate growth in all the above pursuits and demonstrate sustainable good practice as a UK charity.

Reserves Policy

The directors review the charity's reserves regularly in the light of Charity Commission guidance.

Free funds are undesignated and the charity's initial policy has been to develop liquid reserves to a level of three months of regular undesignated giving income. It is believed that this will provide sufficient funds to respond to any shortfalls in donations and event income, and would cover all costs in unforeseen circumstances. It has been possible to generate a significant amount of reserves in 2014. The year-end undesignated net current assets figure of £86k is progress towards the minimum required balance of £91k. We will look to increase our reserves to this level in future years.

Restricted Funds

Restricted funds arise where gifts are received for specific purposes as outlined by the giver. Expenditure is distributed in line with these requirements. In 2014 Citygate Church received donations and other income to the value of £39.3k for restricted purposes. The apportionment of the funding is specified in the accounts.

At the year-end £41.1k of the restricted funds were spent for their restricted purpose leaving a balance of £17.9k of restricted funds including a brought forward balance of £19.8k from the previous year.

Investment and treasury policy

In keeping with the reserves policy, funds are maintained to meet foreseeable recurring expenditure. It is not the charity's general policy to commit to investments. The majority of the charity's funds are therefore held in corporate UK bank accounts. For future periods the directors plan to commit the reserve funds to UK bank deposit accounts.

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Support, volunteers and other organisations

Citygate Church is only able to continue in the work it does because of the time and resources given by volunteers. The directors express their thanks for the ongoing generosity of individuals in both donations and volunteer time.

Employees

The work of Citygate Church relies on the commitment and hard work of its valued staff. A considerable amount of time is volunteered to Citygate Church both in continuous service and at our various events throughout the year.

At the year-end Citygate Church directly employed 7 members of staff, and a further 7 are on joint contracts with Commission Apostolic Trust Ltd.

The directors wish to take this opportunity to thank all staff, past and present, for their service and commitment.

Public Benefit

One of the main objectives of a church is to engage in social action work for the benefit of the community it serves. This principle is strongly encouraged as a core belief of the Christian faith. The nature of this work varies enormously, but typically, churches will engage in a number of different projects - a recent survey of churches associated with 'Commission', the charity set up to take on the work of Newfrontiers, found that each church was involved in an average of seven social action projects. The most common are:

- Mothers and toddlers groups
- Marriage counselling /courses
- Community festivals/fun days
- Debt counselling
- Children's clubs (not including Sunday school type activities)
- School assemblies / RE work
- Parenting help/courses
- Food distribution
- Caring for the Elderly (not exclusively for church members)
- Youth work

While these are the most common, there are many others which churches run, and also in conjunction with other churches in their local vicinity. These include street patrols, reaching out to sex workers, pregnancy/post-abortion help, working with the homeless and other community improvement initiatives (such as clean ups). Working with those in or recovering from addiction (e.g. drugs/alcohol) is also a common social action project among this family of churches. Citygate Church is involved in most of the above activities and its work among those in recovery from addiction and abuse as well its support and reaching out to sex workers, is benefiting the community it serves.

**CITYGATE CHURCH
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2014**

Our public meetings on Sundays provide an opportunity for teaching, worship, envisioning and sharing time together as a community of people. This is with the aim of individuals enjoying being together to develop a strong sense of community and also to envision church members to serve their own local community. The trustees believe that the charity meets the public benefit requirements and have complied with the duty in Section 4 and 17 of the Charities Act 2011 and that we have given due regard to the guidance issued by the Charity Commission on delivery of public benefit, including the Supplementary Guidance.

Structure, Governance and Management

Governing document

Citygate Church is a charitable company, limited by guarantee, incorporated on 8 August 2006 and registered as a charity on 15 February 2007. The company's Memorandum of Association established the objects and powers of the charitable company. The company is governed by its Articles of Association.

Recruitment and appointment of Directors

Directors are recruited and appointed by the members at the Annual General Meeting where they are deemed to possess the experience and skills required to perform the role of a director. The directors may also appoint a director to serve until the next Annual General Meeting, at which time he or she would cease to hold office but would be eligible for election.

Induction and training of directors

All directors are considered to be highly experienced and skilled individuals. Training is provided where considered necessary.

Organisational structure

Overall, Citygate Church is led by Guy Miller and a team of elders. They are responsible to God for the leadership of the church. They will work to ensure that the vision of the church is fully implemented.

The elders named on page 2 served throughout the year apart from Martin Flood who resigned in September 2014.

The trustees carry legal responsibilities and duties. The Trustees (who are appointed by the elders) have a dual responsibility:

They are the people responsible in law under the charity's governing document for controlling the management and administration of the charity. They have a major responsibility to support the elders in their leadership of the church, where leadership is accountable to God for every aspect of church life including the oversight of the work of the Trustees.

The board of directors consists of two executive directors, one of whom is an elder (Andrew Lawrence), and 4 non-executive directors. The non-executive directors bring experience and expertise in business, human resources, risk management, information governance, security and law.

CITYGATE CHURCH

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2014

Related parties

The charity was born out of a movement of churches in the United Kingdom and across the world called Newfrontiers. Newfrontiers has gone through a period of transition in which its founder, Terry Virgo, has sought to continue the legacy of the movement by establishing and releasing apostolic leaders within the movement to carry the work forward with Newfrontiers churches relating to each sphere of leadership. This has led to the development of a number of church networks who work both individually and in partnership where there is mutual benefit. Guy Miller, lead elder of Citygate Church, is one of these leaders, and the Commission Apostolic Trust Limited charity was established on 14 November 2012 to run the above activities under the charitable objectives.

Risk management

The directors have overall responsibility for the charity's internal control. Such a system can provide only reasonable and not absolute assurance against errors or fraud. There is a clear delegation of the directors' authority through the executive directors and the elders to the rest of the charity.

The charity operates a planning and budgeting system with an annual budget approved by the board of directors. A financial reporting system monitors the income and expenditure of the charity against the budget on a quarterly basis.

A register of the risks faced by the charity is being developed, identifying the major strategic and operational risks faced and how they are being managed. The directors are satisfied that systems are in place to monitor, manage, and mitigate the charities exposure to major risks. They consider that the development of the charity's reserves and reviewing internal controls and risk will provide the charity with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of the charity's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the charity.

Responsibility of the trustees

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 auditor is 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 auditor is aware of that information.

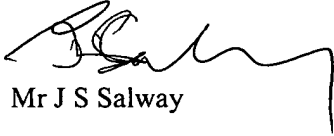
CITYGATE CHURCH

REPORT OF THE TRUSTEES (continued) YEAR ENDED 31 DECEMBER 2014

Auditor

Saffery Champness, the charity's auditors are willing to remain in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

On behalf of the Trustees:



Mr J S Salway

Chair of Trustees

Registered Office:
138 Holdenhurst Road
Bournemouth
Dorset
BH8 8AS

20/05/2015

CITYGATE CHURCH

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CITYGATE CHURCH

We have audited the financial statements of Citygate Church for the year ended 31 December 2014 set out on pages 15 to 30. 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).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charity's state of affairs as at 31 December 2014 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; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CITYGATE CHURCH

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CITYGATE CHURCH (continued)

Matters on which we are required to report by exception

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.



Nicholas Fernyhough (Senior Statutory Auditor)
For and on behalf of Saffery Champness

22 May 2015

**Chartered Accountants
Statutory Auditors**

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

CITYGATE CHURCH

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted funds 2014 £	Restricted funds 2014 £	Total £	2013 £
Incoming resources					
Generated funds					
Voluntary income	1	547,427	36,270	583,697	603,532
Activities for generating funds	2	103,079	-	103,079	56,495
Investment income	7	266	273	206	
Charitable activities	3	12,756	2,762	15,518	11,583
Total incoming resources		663,269	39,298	702,567	671,816
Resources expended					
Costs of generating voluntary income	4	140,268	-	140,268	157,425
Charitable activities	4	305,397	41,102	346,499	353,765
Governance costs	4	11,998	-	11,998	14,674
Total resources expended		457,663	41,102	498,765	525,864
Net incoming/(outgoing) resources		205,606	(1,804)	203,802	145,952
Transfers to Commission Apostolic Trust Limited		-	-	-	(98,218)
Fund balances brought forward at 1 January 2014		1,419,655	19,754	1,439,409	1,391,675
Fund balances carried forward at 31 December 2014		1,625,261	17,950	1,643,211	1,439,409

All gains and losses are included above. The surplus for the year for Companies Act purposes was £203,802 (2013: £145,952)

The notes and accounting policies on pages 17 to 30 form part of these accounts.

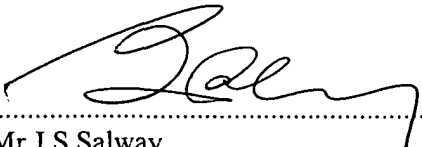
CITYGATE CHURCH

BALANCE SHEET AT 31 DECEMBER 2014

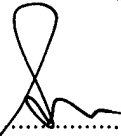
			2014		2013
	Notes	Group £	Charity £	Group £	Charity £
Fixed assets					
Tangible assets	10	2,594,807	2,594,807	2,443,257	2,443,257
Investments	11	-	131	-	131
		<u>2,594,807</u>	<u>2,594,938</u>	<u>2,443,257</u>	<u>2,443,388</u>
Current assets					
Debtors	12	17,077	57,228	24,070	24,070
Cash at bank and in hand		158,033	112,898	102,678	102,678
		<u>175,110</u>	<u>170,126</u>	<u>126,748</u>	<u>126,748</u>
Creditors: Amounts falling due within one year	13	(89,138)	(84,383)	(80,106)	(80,106)
Net current assets		<u>85,972</u>	<u>85,743</u>	<u>46,642</u>	<u>46,642</u>
Total assets less current liabilities		<u>2,680,779</u>	<u>2,680,681</u>	<u>2,489,899</u>	<u>2,490,030</u>
Creditors: Amounts falling due after more than one year	14	(1,037,568)	(1,037,568)	(1,050,490)	(1,050,490)
Net assets		<u>1,643,211</u>	<u>1,643,113</u>	<u>1,439,409</u>	<u>1,439,540</u>
Funds					
Restricted funds	15	17,950	17,950	19,754	19,754
Unrestricted funds	16	1,625,261	1,625,163	1,419,655	1,419,786
Total funds	17	<u>1,643,211</u>	<u>1,643,113</u>	<u>1,439,409</u>	<u>1,439,540</u>

The notes and accounting policies on pages 17 to 30 form part of these accounts.

Approved by the Board of Trustees on 20th May 2015 and signed on its behalf by



 Mr J S Salway



 Mr S D Theunissen

CITYGATE CHURCH

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2014

A Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

B Consolidation

These accounts present the results of the Charity and its wholly owned subsidiary Citygate Events Limited. The Charity has taken advantage of the exemption of paragraph 397 of Statement of Recommended Practice 2005, not to publish its own Statement of Financial Activities.

C Investments

Investments are stated at historical cost less provision for any diminution in value.

D Fund Accounting

The general unrestricted fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The designated fund, the Building account, represents unrestricted funds earmarked by the trustees for the purpose of purchasing, improving and maintaining freehold and leasehold property.

The restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

E Fixed Assets

All fixed assets are initially recorded at cost.

All assets costing more than £400 are capitalised.

F Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor vehicles – 25% reducing balance
Other plant and machinery – 25% reducing balance

Depreciation is not provided on buildings that have an anticipated life of over 100 years. It is the charity's policy to maintain its property in an adequate state of repair and, accordingly, the trustees consider that the life of the property is so long and its residual value is at such a level that depreciation is immaterial.

Leasehold property improvements for the Citygate Centre are to be depreciated over 50 years. The property came into use towards the end of 2013 and therefore the year ended 31 December 2014 is the first year of depreciation for leasehold improvements.

CITYGATE CHURCH

ACCOUNTING POLICIES (Continued) YEAR ENDED 31 DECEMBER 2014

G Finance Lease agreements

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the statement of financial activities on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

H Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

I Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Specific policies are applied to particular categories of income.

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Investment income, being interest, is included when receivable.

Incoming resources from grants which are related to performance and specific deliverables are accounted for as the charity earns the rights to consideration by its performance.

J Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Irrecoverable VAT is reported as part of the expenditure to which it relates.

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.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the time spent.

Governance costs include those costs associated with meeting with constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

CITYGATE CHURCH

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2014**

1 Voluntary income

	Unrestricted funds	Restricted funds	Total funds 2014	Total funds 2013
	£	£	£	£
Donations				
General gifts	366,308	36,270	402,578	417,681
Designated gifts (Building Fund)	181,119	-	181,119	185,851
	<u>547,427</u>	<u>36,270</u>	<u>583,697</u>	<u>603,532</u>

2 Incoming resources from activities for generating funds

	Unrestricted funds	Restricted funds	Total funds 2014	Total funds 2013
	£	£	£	£
Rental income	103,079	-	103,079	56,495
	<u>103,079</u>	<u>-</u>	<u>103,079</u>	<u>56,495</u>

3 Other incoming resources

	Unrestricted funds	Restricted funds	Total funds 2014	Total funds 2013
	£	£	£	£
Other events and activities	12,756	2,762	15,518	11,583
	<u>12,756</u>	<u>2,762</u>	<u>15,518</u>	<u>11,583</u>

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

4 Analysis of total resources expended

	Grants £	Staff costs £	Other direct costs £	Support costs £	Total 2014 £	Total 2013 £
Costs of activities for generating funds						
Building maintenance	-	35,147	76,945	16,636	128,728	157,425
Costs in respect of Citygate Events Ltd	-	-	11,540	-	11,540	-
	-	35,147	88,485	16,636	140,268	157,425
Charitable activities						
Sunday meetings	-	37,224	6,995	22,181	66,400	60,055
Mission	44,670	24,184	22,102	16,636	107,592	116,525
Youth and children's work	-	23,245	13,990	11,090	48,325	39,917
Training and teaching	-	32,601	13,990	22,181	68,772	77,635
Pastoral care	-	26,234	6,995	22,181	55,410	59,633
	44,670	143,488	64,072	94,269	346,499	353,765
Governance	-	2,263	9,735	-	11,998	14,674
Total resources expended	44,670	180,898	162,292	110,905	498,765	525,864
Support staff costs		52,450		(52,450)		
		233,348		58,455		

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

5 Allocation of support costs

	Total	Church activities	Mission activities	Teaching & Training	Buildings
	£	£	£	£	£
Property costs	26,434	5,287	11,895	5,287	3,965
Travel costs	787	157	355	157	118
Staff costs	52,450	10,490	23,602	10,490	7,868
Office costs	15,720	3,144	7,074	3,144	2,358
Information Technology	9,008	1,802	4,053	1,802	1,351
Teaching & training costs	1,238	248	556	248	186
Finance costs	1,389	278	625	278	208
Communications	3,879	775	1,747	775	582
	<u>110,905</u>	<u>22,181</u>	<u>49,907</u>	<u>22,181</u>	<u>16,636</u>

6 Grant expenditure

The charity made the following grants during the period:

	Local	Worldwide	2014	2013
	£	£	£	£
Mission work in India	-	3,100	3,100	3,780
Mission work in Sudan	-	9,350	9,350	8,700
Mission work with the poor	1,025	-	1,025	731
Grants to CATL	-	17,415	17,415	15,662
Westpoint pledge	-	3,000	3,000	3,000
Other local mission work	10,780	-	10,780	1,378
Other mission work worldwide	-	-	-	900
	<u>11,805</u>	<u>32,865</u>	<u>44,670</u>	<u>34,151</u>

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

7 Net incoming resources for the year

This is stated after charging:

	2014	2013
	£	£
Staff pension contributions	6,022	4,890
Depreciation	67,618	22,396
Depreciation of freehold property	-	-
Auditors' fees	5,000	4,250

8 Staff costs

Total staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	198,491	226,571
Social security costs	23,497	20,539
Pension costs	6,022	4,480
	228,010	251,590

The average numbers of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2014	2013
	No	No
Average number of employees	9	12

No employee earned over £60,000 during the current or prior year.

9 Trustees' remuneration

The Memorandum of Association authorises the payment of remuneration to trustees for services other than acting as a trustee. The following paragraphs outline the payments so made.

- Mr A C Lawrence is a trustee of the charity. During the year, Mr A C Lawrence received a salary of £31,865 (2013: £38,871) and pension contributions of £3,508 (2013: £3,508) were made on his behalf.
- Mr S D Theunissen is a trustee of the Charity. During the year, Mr S D Theunissen received a salary of £13,502 (2013: £14,030).

The notable difference in salary received by the above directors from 2013 to 2014 is due to salary apportionment changes set out with Commission Apostolic Trust Ltd in which there are joint contracts in place.

- No other trustees received any remuneration during the current or previous year.
- No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the current or previous year, other than as disclosed in note 18.
- No expenses were reimbursed to any trustee during the current or previous year, other than as disclosed in note 18.

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

10 Tangible fixed assets

Group and Charity

	Land and buildings £	Other plant & machinery £	Total £
Cost or valuation			
At 1 January 2014	2,376,115	206,310	2,582,425
Additions	89,394	46,958	136,352
Revaluation	82,816	-	82,816
At 31 December 2014	2,548,325	253,268	2,801,593
Depreciation			
At 1 January 2014	-	139,168	139,168
Charge for the year	36,634	30,984	67,618
At 31 December 2014	36,634	170,152	206,786
Net book value			
31 December 2014	2,511,691	83,116	2,594,807
31 December 2013	2,376,115	67,142	2,443,257

Land and buildings represent the following: -

- a) St Swithun's Centre, freehold property at a valuation of £700,000 (2013: £617,184) (insurance value in excess of £5 million).
- b) Costs incurred in respect of premises in long leasehold property total £1,848,325 (2013: £1,758,931). The building work was completed in 2013 and the building brought into use. Depreciation charged in respect of the property amounted to £36,634 (2013: £nil).

Finance lease agreements

Included within the net book value of £2,594,807 is £360 (2013: £480) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £120 (2013: £160).

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

11 Investments

Movement in value:

	2014		2013	
	Group £	Charity £	Group £	Charity £
Cost at 31 December 2014 and 31 December 2013	-	131	-	131
Historical cost at 31 December 2014	-	131	-	131

Analysis of investments at 31 December 2014 between funds:

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other investments				
Investment in subsidiary	131	-	131	131

The charity owns 100% of the issued share capital of Citygate Events Limited.

The subsidiary undertaking, Citygate Events Limited lets and operates the conference and exhibition centres of Citygate Centre.

A summary of the subsidiary undertaking results for the year is given below:

	2014 £	2013 £
Gross income	63,005	-
Gross expenditure (excluded gift aided profits to charity)	(11,540)	-
Net surplus before donating profits to charity	51,465	-

At the balance sheet date the aggregate share capital and reserves of the subsidiary undertaking stood at £99 (2013: £1)

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

12 Debtors

	2014		2013	
	Group £	Charity £	Group £	Charity £
Trade debtors	1,960	-	-	-
Amounts owed by group undertakings	-	44,565	-	-
Income tax recoverable	2,925	2,925	18,039	18,039
Other debtors	7,702	7,702	427	427
Prepayments	4,490	2,036	-	-
VAT recoverable	-	-	5,604	5,604
Accrued income	-	-	-	-
	<u>17,077</u>	<u>57,228</u>	<u>24,070</u>	<u>24,070</u>

13 Creditors

	2014		2013	
	Group £	Charity £	Group £	Charity £
Amounts due within one year:				
Bank loans	51,268	51,268	38,636	38,636
Other loans	-	-	10,000	10,000
Trade creditors	9,270	9,764	15,915	15,915
PAYE and social security	6,254	6,254	6,667	6,667
Other creditors	22,346	17,097	8,888	8,888
	<u>89,138</u>	<u>84,383</u>	<u>80,106</u>	<u>80,106</u>

The bank loan is secured as detailed in note 14.

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

14 Creditors

	2014		2013	
	Group £	Charity £	Group £	Charity £
Amounts due after more than one year:				
Bank loans and overdrafts	905,610	905,610	917,961	917,961
Other loans	131,500	131,500	131,500	131,500
Finance leases	458	458	1,029	1,029
	<u>1,037,568</u>	<u>1,037,568</u>	<u>1,050,490</u>	<u>1,050,490</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2014		2013	
	Group £	Charity £	Group £	Charity £
Bank loans – due within one year	51,268	51,268	38,636	38,636
- due after one year	905,610	905,610	917,961	917,961
	<u>956,878</u>	<u>956,878</u>	<u>956,597</u>	<u>956,597</u>

Included in long term bank loans is a bank loan secured against the Citygate Centre on Holdenhurst Road. The loan is repayable over 15 years at a fixed interest rate of 4.08% per annum for 5 years with a variable rate of 2.33% per annum over the Bank of England base rate for the remaining period.

Included within creditors falling due after more than one year is an amount of £678,207 (2013: £707,729) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

The other loans are interest free and unsecured.

Future commitments under finance leases agreements are as follows:

	2014		2013	
	Group £	Charity £	Group £	Charity £
Amounts payable within one year	485	485	426	426
Amounts payable between two to five years	458	458	1,028	1,028
	<u>943</u>	<u>943</u>	<u>1,454</u>	<u>1,454</u>

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

15 Restricted income funds

Group and Charity

	Balance at 1 January 2014 £	Incoming resources £	Outgoing resources £	Balance at 31 December 2014 £
Child sponsorship	3,724	-	-	3,724
Bridport	16,030	39,298	41,102	14,226
Total	19,754	39,298	41,102	17,950

Restricted funds are made up as follows: -

The Child Sponsorship fund is for the purpose of setting up a primary and secondary school in Uganda as well as child sponsorship.

The Bridport Fund is for the purpose of setting up and running a church plant in Bridport.

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

16 Unrestricted income funds

Group

	Balance at 1 January 2014 £	Incoming resources £	Outgoing Resources £	Balance at 31 December 2014 £
Building Fund	751,350	181,119	103,274	829,195
General funds	668,305	482,150	354,389	796,066
	<u>1,419,655</u>	<u>663,269</u>	<u>457,663</u>	<u>1,625,261</u>

Charity

	Balance at 1 January 2014 £	Incoming resources £	Outgoing Resources £	Balance at 31 December 2014 £
Building Fund	751,350	181,119	103,274	829,195
General funds	668,436	419,013	291,481	795,968
	<u>1,419,786</u>	<u>600,132</u>	<u>394,755</u>	<u>1,625,163</u>

The Building Fund designated fund relates to money raised for purchases of property and general repairs as deemed necessary by church members.

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

17 Analysis of net assets between funds

Group

	Tangible fixed assets and investment £	Long term liabilities £	Net current assets £	Total £
Restricted income funds:				
Restricted funds	-	-	17,950	17,950
Unrestricted income funds:				
Designated funds	1,848,325	(1,037,110)	17,979	829,194
General funds	746,482	(458)	50,043	796,067
Total funds	2,594,807	(1,037,568)	85,972	1,643,211

Charity

	Tangible fixed assets and investment £	Long term liabilities £	Net current assets £	Total £
Restricted income funds:				
Restricted funds	-	-	17,950	17,950
Unrestricted income funds:				
Designated funds	1,848,325	(1,037,110)	17,979	829,194
General funds	746,482	(458)	49,945	795,969
Total funds	2,594,807	(1,037,568)	85,874	1,643,113

CITYGATE CHURCH

NOTES TO THE ACCOUNTS (continued) YEAR ENDED 31 DECEMBER 2014

18 Related party transactions

Mr A C Lawrence is a trustee of the charity. During the year, Mr Lawrence was reimbursed £220 (2013: £1,745) in respect of expenses incurred on behalf of the charity.

Mr S D Theunissen is a trustee of the charity. During the year, Mr Theunissen was reimbursed £nil (2013: £1,168) in respect of expenses incurred on behalf of the charity. Mrs Theunissen, Mr S D Theunissen's wife, was paid £nil (2013: £ nil) in respect of accounting services during the year.

Mr J Salway is a trustee of the charity. During the year, Mr Salway was reimbursed £nil (2013: £867) in respect of expenses incurred on behalf of the charity.

Mr C Morse is a trustee of the charity. During the year, Mr C Morse was reimbursed £80 (2013: £99) in respect of expenses incurred on behalf of the charity.

The charity owns 100% of the issued share capital of Citygate Events Limited, a company incorporated on 9 August 2011. Mr S D Theunissen, Jim Salway and Andrew Lawrence are directors of this company.

19 Company limited by guarantee

The company is limited by guarantee and therefore has no share capital. In the case of a winding up each member has guaranteed to contribute an amount not exceeding £10.