

Southgate Church
Bury St Edmunds Suffolk
(a company limited by guarantee)

Annual Report and Financial Statements
for the period ended 31 March 2019

Charity Number: 1115737

Company registration number: 05815695

Southgate Church Bury St Edmunds Suffolk

Annual report and financial statements for the period ended 31 March 2019

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Southgate Church Bury St Edmunds Suffolk

Reference and administrative details

Trustees:

Dr Stuart Lowe (Chair)
Rev Mark Haworth
James C Harrington
Rev Ian Howells (Resigned 12/09/2018)
Robert Jones (Appointed 27/03/2019)
Peter Maddock
Helen Moore
Shaun Richardson (Appointed 27/03/2019)
Susan Strachan (Appointed 27/03/2019)
Gwynneth Tilley
David Wakeford
Roger Whomes (Appointed 27/03/2019)

Secretary to the Trustees:

J C Harrington

Registered office:

Southgate Community Centre, Caie Walk, Bury St Edmunds, Suffolk IP33 2PJ
Tel: (01284) 703705

Registered Charity number: 1115737

Registered Company number: 05815695

Reporting Accountant

Andrew Prentice Partnership 5, Market Place, Stowmarket, Suffolk IP14 1DT

Bankers

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

Solicitors

Gross & Co, 83-84 Guildhall Street, Bury St Edmunds, IP33 1LN

Southgate Church Bury St Edmunds Suffolk

Report of the trustees for the period ended 31 March 2019

The trustees present their report and accounts for the period ended 31 March 2019.

Structure, Governance and Management

Southgate Church is a company limited by guarantee incorporated on 12 May 2006 and registered as a charity on 9 August 2006. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association which were amended on 17/10/2018. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Southgate Church is a Local Ecumenical Partnership founded by Churches Together in Bury St. Edmunds and District forty years ago. The founding denominations that signed the Sharing Agreement are the Church of England, the Baptist Church and the United Reformed Church. The Church has a Board of Trustees, the composition of which was amended by special resolution in October 2018. As and when new appointments are made over the next 12 months, the revised Board of Trustees/Directors will comprise of the following:

- Up to 8 members of Southgate Church;
- 1 nominated by the Parochial Church Council of St Mary's with St Peter's;
- 1 nominated by the Diocese of St Edmundsbury and Ipswich;
- 1 nominated by the Eastern Baptist Association;
- 1 nominated by the Eastern Synod of the United Reformed Church.

The ecumenical nature of the Church is overseen by a Local Advisory Group. In conjunction with that Group, some changes to the governance of the charity are being considered to streamline decision making. The review will be completed in the coming year.

The Articles provide for casual and other vacancies to be filled if appropriate from Churches Together in Bury St. Edmunds or from members of Southgate Church or other sources.

The Trustees met four times during the period.

The Church Leadership Team consists of the Minister and up to three members elected to the Team. The Church Council will evolve into voluntary focused teams ('committees') in the coming months. The Annual General Meeting is held in September.

The trustees regularly review the major risks to which the charity is exposed and, where appropriate, establish policies, systems or procedures to manage those risks.

Objects and Activities

The charity's objective is to advance the principles, teaching and practices of the Christian faith for the benefit of the public in particular but not exclusively in the Southgate area of Bury St Edmunds, Suffolk.

Southgate Church affirms its mission: "to Glorify God in Church, Community and World, through worship, prayer, discipleship, fellowship, service and mission".

Southgate Church serves the area included in the Southgate ward of St Edmundsbury Borough Council. The Church Centre is part of Southgate Community Centre with its office situated there. The church maintains close links with the local community.

Southgate Church Bury St Edmunds Suffolk

Report of the trustees for the period ended 31 March 2019

The charity's activities provided public benefit in the following ways:

- Regular and accessible opportunities for Christian worship for all
- Wide range of social and educational activities for people of all ages
- Pastoral and social support to individuals and families
- Activities in local schools and contributions to the curriculum
- Support to local sheltered housing complex
- Financial grants to charities and community groups at home and abroad
- Promotion of leisure and educational opportunities for the whole community through events that it holds which are open to the community as well as its involvement in events with the Southgate Community Partnership
- Activities for young people

Achievements and performance

The membership at the end of March 2019 was 74. Sunday morning weekly service attendance ranged from 50-100 people, with children's groups run by volunteers from the congregation. A monthly evening service was held. Thursday morning Communion Service in the Church Centre has continued. A twice monthly prayer house is held and some of these have been rebadged as MVP prayer nights (Mission, Vision and Provision), the provision part being to pray for the necessary gifts to be released into the church, for God to bring in the right people and that finances would cease to be a burden on the church but a released gift from God. A five-week faith sharing course run by Tim Lovejoy of Fulmerston Church in Thetford greatly benefited people attending. There are nine house groups involving sixty to seventy people. All the church and community centre buildings are accessible to disabled people, and a hearing loop is provided in the main hall. Sunday morning services are recorded and made available on CD to those who are unable to attend services. Disabled access to the Church Centre is available. Information on activities is submitted to a monthly publication – Southgate Directory – which is delivered to every address in the catchment area.

The church continued to be involved in the ecumenical life of the town, playing a role in Churches Together in Bury St. Edmunds & District. That included, for example, supporting the Study and Share Bible sessions; March of Witness.

House Groups and regular central meetings for prayer and fellowship continued to be held. The Church Centre was used regularly for activities across the age span. A number of other Christian groups also made use of the facilities.

The former Minister retired during 2017/18 and the Church members and invited speakers helped to continue services etc. in this inter-regnum period while a search for a new Minister took place.

The Church continued to employ a part-time Administrator and a full-time Family and Community Worker (FCW). The latter, leads all the activities for young people detailed below and she works closely with other churches and groups for the benefit of families and children in this area. She also worked in the two local schools which help to build positive relationships with the staff as well as local families. The young people are encouraged to develop their skills by participating in both church and community activities.

Southgate Church Bury St Edmunds Suffolk

Report of the trustees for the period ended 31 March 2019

Southgate Church runs a variety of groups in our church and community for:

- Children;
- Young people;
- Elderly;
- Families:

Young People and Children

Monthly Together on Sunday family services

Sunday Clubs and Liquid Sundae – weekly Sunday morning youth and children's bible teaching

Spots – Weekly parent/carer and toddler group

Wednesday Gang – Weekly group for children ages 6-9 years

Youth Club – Weekly youth club for children ages 9-11 years

Rock Solid – Weekly lunchtime club at Hardwick Primary School run in partnership with Bury Christian Youth

Liquid – Weekly club for young people ages 12+ years

Bibles and Burgers – Monthly discipleship group for children and young people

Open the Book – Fortnightly assemblies with Bible stories in Hardwick Primary School and South Lee School

Pre-school Praise – Fortnightly story and singing sessions in Southgate Pre-school

There is a wide variety of activities for young people of all ages. Those are kept under review to ensure their relevance and new ventures for both the young and adults are considered such as:

- The local Park Run in which some young people and adults take part;
- Pancake Café at which many young people attended with their mum/dad or grandparent or carer.

Safeguarding regarding Young People and Vulnerable Adults

Every person in contact with children in the church receives Child Protection training in line with denominational guidelines, with church leaders receiving level three training which covers vulnerable adults.

Elderly

The monthly group for women and the bi-monthly group for older people continued to meet for social activities and outreach. Outings are arranged during the year and a Christmas tea and entertainment are provided for the elderly.

A weekly *Coffee Stop* is held in the Church Centre for the community to promote social interaction which is very well used and supported by people of all ages and circumstances including attendees at various classes in the Community Centre.

A service is held once a month for the residents of a retired home situated in the community.

Support of Other Charities

Southgate Church continued, through tithing of income, to support a variety of groups and charities including the three partner denominations and other Christian work. Tithe recipients are decided by the Members.

Southgate Church Bury St Edmunds Suffolk

Report of the trustees for the period ended 31 March 2019

Tithes were given to Regular packing groups were held to send clothing and other goods to a very poor area of Malawi. On occasions, the Church has provided additional financial help to Faith In Action to provide seed when villages in Malawi have had crop failures or crops destroyed by floods. Financial help with providing wells for clean water has also been provided from time to time.

General Events for the Community

A fund raising event is usually run to support the Chaplain in the Workplace charity. This often takes the form a concert with an invited well known Christian singer/band.

The Church also arranges and hosts two major events to which the community is invited at Christmas and Easter time - Southgate's Got Christmas and Southgate's Got Easter. Over 300 people from the local community attended to start the Christmas celebrations. This was a wonderful opportunity to share the real meaning of Christmas with local families and start celebrating Christmas together.

The Church fully participated in the May Bank Holiday Fun Day organised by the Southgate Community Partnership for the community.

Southgate Church remains in good standing with the local community and the other churches in Bury St. Edmunds:

- One member of the Church is a community governor of Hardwick Primary School;
- Church members volunteer with and provide assistance to the chaplaincy department of West Suffolk Hospital in pastoral visiting, chapel stewarding and on-call duties.
- Church members also volunteer with the Town Pastors both in night assistance and in prayer groups.

The Church is part of the Southgate Community Partnership (SCP) to which the Church elects four trustees. SCP owns and runs Southgate Community Centre in which the Church undertakes all of its activities. The trustees of this charity have continued to assure themselves that this involvement will not place at risk any of its assets. The Church Administrator continues to undertake a similar role for the SCP under a separate contract of employment, and both organisations share 'back office' facilities and costs to mutual advantage. The Church has made a major input of voluntary time into the SCP as it seeks to widen the range of activities and services it provides to the local community.

Financial Review

The surplus of **£23,326** for the period was significantly lower than the previous year's surplus of **£57,893**. Our income was lower than the previous year by **£64,450**. In 2017/18 there were two events that caused this firstly a substantial legacy was notified to the church during February 2018 and earlier in the year additional income was received to enable the church to clear its portion of the deficit on the Baptist Pension Fund. Expenditure was also higher due to the payment to the pension fund. Due to the retirement of the previous minister the church was without a minister during part of 2017/18 and the whole of 2018/19 which enabled the Church Manse to be let to tenants thereby gaining an annual income of £15,000 expenditure on ministry activities was also down because no minister was in place. The regular and faithful ongoing financial support of the congregation was also maintained, the majority of this through tax efficient means. Expenditure was well controlled and there was an underspend on a number of headings. The charity's policy of keeping three month's running costs in reserves has been more than maintained with net current assets at the end of the period being **£137,711**.

Southgate Church Bury St Edmunds Suffolk

Report of the trustees for the period ended 31 March 2019

Trustees' Responsibilities in Relation to the Financial Statements

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper 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 1985. 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.

Approved by the Trustees on *9th September* 2019 and signed on their behalf by

Stuart Lowe


Chair of the Trustees of Southgate Church, Bury St. Edmunds Suffolk

Southgate Church Bury St Edmunds Suffolk

Independent Examiner's Report to the Trustees of Southgate Church

I report on the accounts of the Southgate Church for the year ended 31 March 2019, which are set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

The charity's trustees consider that an audit is not required for this year under section 144 of the Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's statement

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

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Andrew M Prentice FFA
Andrew Prentice Partnership

Southgate Church Bury St Edmunds Suffolk

Statement of Financial Activities for the period ended 31 March 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income from:					
Donations	2	77,317	1,613	78,930	144,747
Charitable activities	3	21,892	-	21,892	20,656
Investment income		543	-	543	412
Total incoming resources		99,752	1,613	101,365	165,815
Resources expended					
Charitable activities					
Charitable activities	4	76,077	1,289	77,366	107,309
Governance costs	6	673	-	673	613
Total resources expended		76,750	1,289	78,039	107,922
Net incoming/(outgoing) resources before transfers		23,002	324	23,326	57,893
Transfers					
Gross transfers between funds - in		-	-	-	75
Gross transfers between funds - out		-	-	-	(75)
Net incoming/(outgoing) resources for the year		23,002	324	23,326	57,893
Actuarial gains on defined benefit scheme				-	17,600
Fund balances at 1 April 2018		353,183	1,900	355,083	279,590
Fund balances at 31 March 2019		376,185	2,224	378,409	355,083

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. An analysis by fund of the comparative figures for 2018 is shown in note 2.

Southgate Church Bury St Edmunds Suffolk

Balance sheet at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	8		240,698		243,545
Current assets					
Debtors and prepayments	9	10,060		44,860	
Cash at bank and in hand		130,486		68,875	
		
		140,546		113,735	
Creditors amounts falling due within one year	10	(2,835)		(2,197)	
		
Net current assets			137,711		111,538
				
Net assets excluding pension liability			378,409		355,083
Pension scheme liability					
Net assets including pension liability			378,409		355,083
		
Funds					
Unrestricted			376,185		354,433
Restricted	11		2,224		650
		
Total Reserves			378,409		355,083

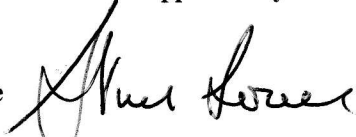
In approving these financial statements as trustees of the charitable company we hereby confirm:

- that for the year stated above the company was entitled to exemption conferred by Section 477 of the Companies Act 2006;
- that no notice has been deposited at the registered office of the company pursuant to Section 476 that an audit be conducted for the year ended 31 March 2019 and
- that we acknowledge our responsibilities for;
 - ensuring that the company keeps accounting records which comply with Section 386, and
 - preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year ended in accordance with the requirements of sections 394 and 395 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far applicable to the company.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board on 9/09/ 2019 and signed on its behalf by

Dr Stuart Lowe
Trustee



The notes on pages 9 to 15 form part of these financial statements.

Southgate Church Bury St Edmunds Suffolk

Notes forming part of the financial statements for the period ended 31 March 2019

1 Accounting policies

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to that category.

Costs of activities in furtherance of the charity's objectives include staff costs. Support costs are those costs incurred indirectly in support of expenditure on the objects of the charity and include the costs of running the office and administration.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

Tangible fixed assets

The cost of tangible fixed assets is written off over their expected useful economic lives, on a straight line basis, as follows:

Freehold buildings	- over 50 years
Church Centre ramp	- over 20 years
Office and computer equipment	- over 5 years

Taxation

The charity is not liable to tax on its activities for the period.

Fund accounting

Funds held by the charity are:

- (a) Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- (b) Designated funds – comprise unrestricted funds that have been set aside by the trustees for particular purposes.
- (c) Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions apply when specified by the donor or when funds are raised for particular restricted purposes.

Southgate Church Bury St Edmunds Suffolk

Notes forming part of the financial statements for the period ended 31 March 2019 *(Continued)*

2 Income Resources

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Gift Aid – General	51,173		51,173	53,539
Legacy	-		-	43,623
Gift Aid – Envelopes	2,605		2,605	4,278
Gift Aid – Youth	-		-	500
Other Collections	7,891		7,891	6,556
Income Tax Recovered	14,773		14,773	15,815
Donations	875		875	19,519
Restricted Gifts		1,613	1,613	917
	<u>77,317</u>	<u>1,613</u>	<u>78,930</u>	<u>144,747</u>

3 Income Resources

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Fellowship Activities	2,065	-	2,065	9,556
Church Groups	4,038	-	4,038	1,597
Miscellaneous	129	-	129	123
SCP	660	-	660	630
Church House rental income	15,000	-	15,000	8,750
	<u>21,892</u>	<u>-</u>	<u>21,892</u>	<u>20,656</u>

Southgate Church Bury St Edmunds Suffolk

Notes forming part of the financial statements for the period ended 31 March 2019(Continued)

4 Charitable Activities

	2019	2018
	£	£
<i>Activities relating directly to the work of the church</i>		
Ministry (including £17,500 BU pension deficit payment 2018 only)	3,810	31,062
Youth worker	23,112	22,732
Sunday School & Youth work	3,962	2,592
Flowers, Libraries & Gifts	760	599
Church & Community Centre Occupancy costs	7,068	6,548
Church Centre Maintenance	1,681	1,400
Church House costs	284	1,602
Church House Maintenance	2,327	3,347
Fellowship activities	2,755	7,483
Depreciation of Fixed Assets	5,199	6,103
Mission & Training	196	1,802
Tithes	12,612	7,800
Events	-	1,403
Communications	642	678
Specific Gifts	1,289	808
	<u>65,697</u>	<u>95,959</u>
<i>Support costs allocated to activities</i>		
Staff costs	9,157	8,933
Telephone & Internet	334	381
Insurance	421	417
Postage & Stationery	390	392
Photocopier	306	383
Subscriptions	799	670
Computer costs	67	114
Payroll Administration	135	-
Bank charges	60	60
	<u>11,669</u>	<u>11,350</u>
Total cost of Charitable Activities	<u><u>77,366</u></u>	<u><u>107,309</u></u>

Southgate Church Bury St Edmunds Suffolk

Notes forming part of the financial statements for the period ended 31 March 2019(Continued)

5 Staff costs

	2019 £	2018 £
Wages and salaries	30,781	39,229
Social security costs	-	-
Pension costs	923	19,902
	<u>31,704</u>	<u>59,131</u>

The charity employed 2 staff during the period. No employee received emoluments of over £60,000.

6 Governance costs

	2019 £	2018 £
Reporting accountant's & independent examiner fees	660	600
Legal and professional fees	13	13
	<u>673</u>	<u>613</u>

7 Trustees remuneration and related party transactions

The trustees did not receive any remuneration or reimbursement of expenses from the charity during the period.

Southgate Church Bury St Edmunds Suffolk

Notes forming part of the financial statements for the period ended 31 March 2019 (*Continued*)

8 Tangible fixed assets

	Freehold Property	Office and computer equipment	Total
	£	£	£
<i>Cost</i>			
At 1 April 2018	288,649	19,711	308,360
Additions		2,352	2,352
Disposals		473	473
At 31 March 2018	288,649	21,590	310,239
<i>Depreciation</i>			
At 1 April 2018	49,197	15,618	64,815
Charge for the period	3,870	1,329	5,199
Disposals		473	473
At 31 March 2019	53,067	16,474	69,541
<i>Net book value</i>			
At 31 March 2019	235,582	5,116	240,698
At 31 March 2018	239,452	4,093	243,545

9 Debtors

A legacy of £43,623 became due to the Church during 2017/18. Probate of the estate was granted during February 2018. There were 8 months of gift aid reclaims outstanding at 31st March 2019.

	2019 £	2018 £
Legacy	-	43,623
Gift Aid debtor	9,886	1,019
Prepayments	150	118
Other debtor	24	100
	10,060	44,860

Southgate Church Bury St Edmunds Suffolk

Notes forming part of the financial statements for the period ended 31 March 2019 (*Continued*)

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Tax, National Insurance and Pension	1,058	913
Expense creditors and accruals	1,777	1,284
	<hr/>	<hr/>
	2,835	2,197
	<hr/>	<hr/>

11 Statement of Funds

	Fund balances at 31 March 2018 £	Incoming resources £	Resources expended £	Transfers	Fund balances at 31 March 2019 £
<i>Restricted Funds</i>					
Gifts	650	1,613	1,289	1,250	2,224
	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	650	1,613	1,289	1,250	2,224

The transfer of £1,250 has been made during the year from unrestricted to restricted funds to re-categorise a restricted gift donation made in the prior year.

Purposes of Restricted Funds:

Gift Fund represents donations received to be passed on to other organisations.

12 Limited liability

The charitable company has no share capital but is limited by guarantee. The members under the memorandum and articles of association each undertake to contribute to the assets of the charitable company, in the event of it being wound up, with each members liability limited to £10.