

KING'S CHURCH (MILTON KEYNES)

Accounts – 31st March 2020

KING'S CHURCH (MILTON KEYNES)

A company limited by guarantee and not having a share capital

Charity number: 1102341
Company number: 5014713

Accounts – 31st March 2020

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KING'S CHURCH (MILTON KEYNES)

**REPORT OF THE DIRECTORS
for the year ended 31st March 2020**

The Directors are pleased to present their annual report and financial statements of the charitable company for the year ended 31st March 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1st January 2015).

Reference and Administration Details

The charity's name is King's Church (Milton Keynes).

Charity Registration Number: 1102341

Company Number: 5014713

Registered Office: King's Church Community Centre
Creed Street
Wolverton
Milton Keynes
MK12 5LY

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and officers who served during the year and since the year end were as follows:

A N Cusdin
A M Forbes
C J Clare

Objectives and Activities

The main objects of the charity are:

- a) The advancement of the Christian faith in the UK and overseas.
- b) To relieve persons in conditions of need, hardship and who are aged or sick.
- c) To advance education in accordance with Christian principles.
- d) To promote other charitable objects as decided by the Trustees from time to time.

In planning the activities of the charitable company the directors have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

Achievements and Performance

The charity continues to run a local Church seeking to serve the community of Milton Keynes and the surrounding area. Regular Sunday meetings are held, together with additional mid week events for various groups within the Church.

During this financial period the charity has continued to run a number of initiatives which positively impact the local community, including Lunch Drop In (providing meals for more vulnerable members of society), Here to Help (providing support in applying for benefits and signposting to other agencies), and being a very busy member of the local Food Bank.

**REPORT OF THE DIRECTORS
for the year ended 31st March 2020 (Continued)**

The charity hired its building to local groups, businesses and for functions. Proceeds of this activity are used to maintain the buildings, cover associated overheads and support the wider activities of the charity.

The community centre suffered significant vandalism during June 2019, with the cellars being flooded. The cost of remediating this damage was covered by the charity's buildings insurance policy and the building was fully functional again in early 2020.

A new full-time caretaker was employed as at the beginning of December 2019, providing maintenance services for both buildings owned by the charity, and supporting the day-to-day operation of the charity.

COVID-19:

The impact of this pandemic on the charity started to be seen during March 2020:

- Regular renters of Kings Community Centre stopped hiring the halls, leading to this source of income almost ceasing completely from mid-March.
- King's Church have been unable to meet since mid-March, resulting in a reduction in cash offerings. The impact of furloughing on some church members is likely to see a reduction of income in regular giving.
- Social outreach activities have been adapted, with Lunch Drop In changing to Lunch Take Away. Food Bank demand and activity has increased significantly, with King's Church now being one of the main providers for Milton Keynes.
- The 3 employees of King's Church have been furloughed with effect from 1st April 2020, with the charity utilising the HMRC Coronavirus Job Retention scheme. The social outreach activity has been managed by Andy and Shaaron Forbes, with support from volunteers.
- The directors have introduced a weekly review of cashflow, planning and forecasting to identify actions and initiatives to try and safeguard the future of the charity.
- The charity has been successful in applying for grant support from various bodies to continue to serve the community during this challenging time.
- The charity has also benefitted from sizeable donations from individual donors and local businesses to advance the cause of the charity.

In summary, the impact of the COVID-19 pandemic and social restrictions introduced across the country as a result leave the charity in an uncertain position during 2020. The directors are taking all necessary steps to generate income, realise cash and reduce overheads to maintain the ongoing viability of the charity.

Financial Review

The total income for the year was £186,480 and total expenditure on charitable activities amounted to £183,455.

Reserves Policy

The directors seek to keep 2 months' regular expenses and costs (increased to £20,000 during the year in light of the increase in expenses during this financial period) in reserve as cash or near cash (e.g money claimable from HM Revenue & Customs in respect of gift aid). As at 31st March 2020 the directors regard that sufficient funds were held to meet this policy.

The directors also seek to review this policy every 12 months to ensure this amount remains appropriate.

Structure, Governance and Management**Governing Document**

King's Church (Milton Keynes) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 14th January 2004. It is registered as a charity with the Charity Commission. Members of the charitable company guarantee to contribute amounts not exceeding £10 to the assets of the charitable company in the event of winding up.

**REPORT OF THE DIRECTORS
for the year ended 31st March 2020 (Continued)**

This report has been prepared in accordance with the special provisions relating to companies subject to the Small Companies Regime within part 15 of the Companies Act 2006.

Approved by the directors on 31st July 2020 and signed on its behalf by:

A N Cusdin - Director

Milton Keynes

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS

I report to the trustees on my examination of the accounts of King's Church (Milton Keynes) for the year ended 31st March 2020.

Responsibilities and Basis of Report

As the charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

M D A Gyde FCA DChA
A J Carter & Co
Chartered Accountants

22b High Street
Witney
Oxon
OX28 6RB

24th August 2020

STATEMENT OF FINANCIAL ACTIVITIES
(including an income and expenditure account)
for the year ended 31st March 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Income from:					
Donations and legacies	3	88,654	-	88,654	99,816
Investments	4	97,826	-	97,826	73,070
Total incoming resources		<u>186,480</u>	<u>-</u>	<u>186,480</u>	<u>172,886</u>
Expenditure on:					
Charitable activities	5	183,455	-	183,455	150,572
Total expenditure		<u>183,455</u>	<u>-</u>	<u>183,455</u>	<u>150,572</u>
Net income/(expenditure) and net movement in funds for the year		3,025	-	3,025	22,314
Transfer between funds		-	-	-	-
Net movement in funds		<u>3,025</u>	<u>-</u>	<u>3,025</u>	<u>22,314</u>
Reconciliation of funds					
Total funds brought forward		<u>467,544</u>	<u>-</u>	<u>467,544</u>	<u>445,230</u>
Total funds carried forward		<u>£470,569</u>	<u>£-</u>	<u>£470,569</u>	<u>£467,544</u>

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

All income and expenditure derives from continuing activities.

The notes on pages 7 to 11 form part of these financial statements

BALANCE SHEET
as at 31st March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	631,813	629,191
Total fixed assets		<u>631,813</u>	<u>629,191</u>
Current assets			
Debtors	12	16,051	16,911
Cash at bank and in hand		<u>34,803</u>	<u>39,093</u>
Total current assets		50,854	56,004
Liabilities			
Creditors falling due within one year	13	<u>8,829</u>	<u>7,676</u>
Net current assets		<u>42,025</u>	<u>48,328</u>
Total assets less current liabilities		673,838	677,519
Creditors: falling due after more than 1 year	14	203,269	209,975
Provisions for liabilities			
Total net assets	15	<u><u>£470,569</u></u>	<u><u>£467,544</u></u>
The funds of the Charity			
Restricted income funds		-	-
Unrestricted income funds	16	<u>470,569</u>	<u>467,544</u>
Total charity funds		<u><u>£470,569</u></u>	<u><u>£467,544</u></u>

For the year ended 31st March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors Responsibilities

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and

The directors acknowledge their responsibilities for complying with the requirements of the act with respect to the accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the special provisions relating to companies subject to the Small Companies Regime within part 15 of the Companies Act 2006.

These accounts were approved by the board of directors and authorised for issue on: 31st July 2020 and are signed on their behalf by:

A N Cusdin – Director

The notes on pages 7 to 11 form part of these financial statements

**NOTES TO THE ACCOUNTS
for the year ended 31st March 2020**

1. Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Reporting Financial Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1st January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b) Public Benefit Entity

King's Church (Milton Keynes) meets the definition of a public benefit entity under FRS 102.

c) Going Concern

The Directors consider that there are no material uncertainties about the Charity's ability to continue as a going concern

d) Income Recognition Policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

e) Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

f) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for the particular areas of the Charity's work or for specific projects being undertaken by the Charity.

g) Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

NOTES TO THE ACCOUNTS
for the year ended 31st March 2020 (continued)

h) Tangible Fixed Assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on the straight line basis as follows:

Asset Category	Annual Rate
Furniture and equipment	20% per annum

i) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised in income when the items are sold.

j) Debtors

Trade and other debtors are recognised at the settlement amounts due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

k) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3. Income from donations

	2020	2019
	£	£
Gifts and donations	75,163	78,973
Other gifts and income	13,491	20,843
	<u>£88,654</u>	<u>£99,816</u>

4. Income from investments

	2020	2019
	£	£
Rental income	97,787	73,050
Interest	39	20
	<u>£97,826</u>	<u>£73,070</u>

NOTES TO THE ACCOUNTS
for the year ended 31st March 2020 (continued)

5. Analysis of expenditure on charitable activities

	2020	2019
	Total	Total
	£	£
Ministry support	89,816	76,129
Motor and travel	1,881	2,069
Telephone	2,735	3,174
Gifts and donations	3,878	4,466
Equipment repairs and maintenance	3,885	7,801
Youth and children	390	640
Stationery, post and advertising	1,587	1,243
Outreach and church events	8,078	8,138
Light and heat	16,133	15,065
Property renovation and repairs	31,547	7,834
Insurance	6,557	5,884
Refund rent deposit	1,145	1,020
Sundry	3,210	2,539
Bank charges and interest	99	652
Loan interest	10,252	11,585
Depreciation	944	290
Professional fees	88	843
Accountancy	1,230	1,200
Total	£183,455	£150,572

6. Net income/(expenditure) for the year

	2020	2019
	£	£
<i>This is stated after charging:</i>		
Depreciation	944	290
Loan interest payable	10,252	11,585
Accountancy services	1,230	1,200

7. Analysis of staff costs and trustee fees

	2020	2019
	£	£
Staff costs and fees	90,979	80,577
	£90,979	£80,577

No employees had emoluments in excess of £60,000 (2019: Nil).

The charity trustees were paid as follows:

		2020	2019
		£	£
A Forbes	Fees	36,221	36,221
	Expenses	4,956	5,528
S Forbes	Fees	31,632	30,513
		£72,809	£72,262

NOTES TO THE ACCOUNTS
for the year ended 31st March 2020 (continued)

8. Staff numbers

The average monthly number of employees during the year was as follows:

2020	2019
Number	Number
<u>4</u>	<u>4</u>

9. Related party transactions

From December 2019 the charity employed a Mr S Forbes, brother of the trustee Mr A Forbes. During the year the charity paid Mr A Forbes £8,333.

During the year under review trustees and close relatives made unrestricted donations totalling £38,145 (2019: £44,168).

10. Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Tangible fixed assets

	Freehold Property £	Equipment £	Total £
Cost:			
As at 1 April 2019	628,030	37,288	665,318
Additions	-	3,566	3,566
As at 31 March 2020	<u>628,030</u>	<u>40,854</u>	<u>668,884</u>
Depreciation:			
As at 1 April 2019	-	36,127	36,127
Charge for year	-	944	944
As at 31 March 2020	<u>-</u>	<u>37,071</u>	<u>37,071</u>
Net book value:			
As at 31 March 2020	<u>£628,030</u>	<u>£3,783</u>	<u>£631,813</u>
As at 31 March 2019	<u>£628,030</u>	<u>£1,161</u>	<u>£629,191</u>

12. Debtors

	2020 £	2019 £
Gift Aid	7,611	8,268
Debtors	5,065	5,403
Prepayments	<u>3,375</u>	<u>3,240</u>
	<u>£16,051</u>	<u>£16,911</u>

NOTES TO THE ACCOUNTS
for the year ended 31st March 2020 (continued)

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Mortgage	5,372	4,286
Accruals	3,457	3,390
	<u>£8,829</u>	<u>£7,676</u>

14. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Mortgage	203,269	209,975
	<u>£203,269</u>	<u>£209,975</u>

15. Analysis of net assets between funds

	General Fund	Designated Funds	Restricted Funds	Total
	£	£	£	£
Tangible fixed assets	631,813	-	-	631,813
Cash at bank and in hand	12,169	22,634	-	34,803
Other net current assets/(liabilities)	7,222	-	-	7,222
Creditors of more than one year	(203,269)	-	-	(203,269)
Total	<u>£447,935</u>	<u>£22,634</u>	<u>£-</u>	<u>£470,569</u>

16. Analysis of charitable funds**Analysis of movements in unrestricted funds**

	Balance 31.03.19	Incoming resources	Resources expended	Transfers	Funds 31.03.20
	£	£	£	£	£
General fund	450,627	180,763	(183,455)	-	447,935
Designated Fund	16,917	5,717	-	-	22,634
Total	<u>£467,544</u>	<u>£186,480</u>	<u>£(183,455)</u>	<u>£-</u>	<u>£470,569</u>

The designated fund represents the Wesley Building Fund.