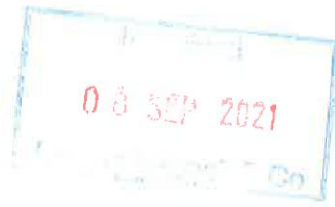


Company registration number: 05099069

Charity registration number: 1105460

Scottish Charity number: SC043119



The King's Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Landin Wilcock & Co
Chartered Accountants & Registered Auditors
68 Queen Street
Sheffield
S1 1WR

The King's Foundation

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The King's Foundation

Reference and Administrative Details

Chief Executive Officer

Mr R Holmes

Trustees

Mr D Taylor, Chair

Mr G Thompson

Mrs J Fardon

Mrs R Brown

Mrs C Buxton

Secretary

Mrs L Rands

Principal Office

Osborne House
47 Snaithing Lane
Sheffield
S10 3LF

The charity is incorporated in England and Wales.

Company Registration Number 05099069

Charity Registration Number 1105460

Scottish Charity Number SC043119

Solicitors

Knights plc
Commercial House
14 Commercial Street
Sheffield
S1 2AT

Bankers

Lloyds Bank plc
Church Street
Sheffield
S1 1HP

Auditor

Landin Wilcock & Co
Chartered Accountants & Registered Auditors
68 Queen Street
Sheffield
S1 1WR

The King's Foundation

Strategic Report for the Year Ended 31 December 2020

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2020, in compliance with s414C of the Companies Act 2006.

Achievements and performance

Key non-financial performance indicators

The charitable group uses the following as measures of success:

- Child activity hours
- Health and safety data
- Independent parent reviews
- Leaders trained
- Membership data
- Staff and volunteer performance evaluations
- Values and beliefs

Going concern

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

Financial review

The charity had a difficult financial year, with a net loss of £368,572, and reserves of £316,371.

Policy on reserves

The current level of reserves stands at £316,371. It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, the desired minimal level of reserves is £400,000. This provides enough funds to cover management and administration and support costs, and to respond to other projects which the charity may wish to support. It is the intention of the charity to rebuild these reserves over future years.

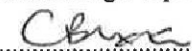
Principal risks and uncertainties

The trustees and executive team undertook a review of the major risks to which the charity is exposed, and systems and policies were updated in line with a more comprehensive risk-register.

The trustees monitor the organisation risk register and are committed to ongoing updates, ensuring the highest standards of management of the Foundation for all its stakeholders.

The board and executive team undertook specific projects in the year to ensure GDPR and Safeguarding compliance.

The strategic report was approved by the trustees of the charity on 31/8/21..... and signed on its behalf by:


.....

Mrs C Buxton

Trustee

The King's Foundation

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable group for the year ended 31 December 2020.

Objectives and activities

Objects and aims

The objects of the charitable group are to educate and assist young people through their leisure time activities so as to develop their physical, mental and spiritual capacities that they may grow to full maturity as individuals and members of society and that their condition of life may be improved.

The relief in cases of need of young persons who are sick, convalescent, disabled, handicapped or infirm by providing or paying for items, services or facilities which are calculated to alleviate the suffering or assist the recovery of such persons in such cases but are not readily available to them from other sources.

The Charity's main objectives for the year were connected to our vision of a world where children love being active by:

- Getting more children active, having fun and learning together
- Helping partner-organisations to improve the quality of their children's programmes
- Training, inspiring and equipping more community leaders to deliver child-friendly programmes
- Providing more young people with work experience and employment opportunities

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Activity Report

The activities of the charity were severely impacted by COVID-19, with all international work suspended and UK programmes either suspended or restricted in order to fulfil government guidelines. The leadership team responded to the pandemic with a Response, Recovery and Reconstruction plan, which centred around 3 priorities:

1. Conserving cash
 - a. Adapting our financial and operating models, including reducing overheads by 40%
2. Maintaining our reputation
 - a. COVID-adapting Kings Camps to ensure we continued to provide a service for key workers, maintain our market presence, and business partnerships
 - b. Creating and taking to market the Active Families Programme
3. Maintaining a staff team for recovery and reconstruction

The plan included a commitment to communicating the impact of the pandemic and progress to stakeholders, with in-person and online weekly team meetings, regular updates between the CEO and Chair and board members, and regular communications with members and mission partners.

The trustees are particularly thankful for the efforts of the charity's leadership team, who responded quickly and effectively, worked to a plan, and continued to provide services for families when many other service-providers mothballed their services. The charity was able to access the government's job retention scheme by placing team members on furlough, but very sadly, the charity had no option but to make 11 permanent staff-roles redundant.

Through working closely with Royal Navy and Royal Marines Charities, we were able to strengthen our partnership with the Royal Navy, providing access to activity camps and creating a new programme for families that will help them to be active together.

Overall, the charity worked with over 5,000 children and young people, many being from key-worker families, and provided 200 activity leader jobs for young people.

The charity made a significant loss in the year, but the efforts to maintain cash reserves meant the charity ended the year with reserves of £316,371, and cash reserves of £462,232.

The charity successfully completed the Response and Recovery phases of its plan, and the trustees are confident of Reconstruction through 2021, enabling the charity to grow the scale and impact of its services again.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

The board and executive team worked within the agreed structure, governance and management guidelines detailed in the charities Terms of Reference. This included undertaking a trustee questionnaire to ensure all board members are fulfilling their roles and responsibilities.

Nature of governing document

The company is limited by guarantee and its objects, powers and constitutional matters are set out in its Memorandum and Articles of Association.

Recruitment and appointment of trustees

Trustees are selected by the Board. Recommendations to the board can be received from existing Trustees or Executive Directors. Ratification of recommendations by the Board should be unanimous.

Trustee appointments will be made for a term of 3 years. Appointments will be subject to a re-nomination process by the Board at the end of each 3-year term. Although re-appointment is not automatic, it is desirable for Trustees to accept their role with the view to serving more than a single term.

Induction and training of trustees

All Board Members are required to undertake an induction within the Charity in the first 3 months of their appointment to the Board. New Board Members will undertake a 6-month probation period before confirmation of their full appointment. Board members undertake an induction process outlining their role, responsibilities, the activities of Kings, how the board operates, accountability under the Companies Act, the memorandum and articles and relevant legislation. The induction process includes:

- a. Suitability meeting with Chairman and CEO that includes
 - i. Mission, Vision, Values
 - ii. Roles and responsibilities (Board Terms of Reference doc)
- b. Information pack that includes:
 - i. Board Terms of Reference
 - ii. Declaration of trust
 - iii. Finance information (Budget)
 - iv. Financial accounts
 - v. Minutes from the past 12 months
 - vi. Personnel structure
 - vii. Publicity materials
- c. Risk register
- d. Invitation to attend as a guest at a Board meeting
- e. Six-month probation period

Arrangements for setting key management personnel remuneration

None of the trustees receive remuneration or other benefits from their work with the charity. However, the key management receive an aggregate salary of £242,143 (2019 - £221,890).

Organisational structure

The Board comprises the Trustees of the Charity who are the independent directors for the purposes of the Companies Acts as well as the Executive Directors who attend in an ex-officio capacity. Because of the current Charity Act legislation, the Trustees are responsible for policy and approving financial budgets of the charity.

The Executive Directors run the charity within the approved guidelines set by the Trustees. A Memorandum of Understanding has been signed between the Trustees and the Executive Directors regarding policy and the operational decision-making process.

Relationships with related parties

The Kings Foundation Professional Services Limited

Wholly owned subsidiary, the results of which are incorporated into the group accounts. The company carries out the trading activities of the charity. The company works with a variety of organisations and specialise in providing children's activity programmes to the holiday sector through programme design, recruitment services, in-person and online training and service delivery. Any profits made by the subsidiary are covenanted to the parent charity.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditors Landin Wilcock & Co are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The annual report was approved by the trustees of the charity on 31/8/21..... and signed on its behalf by:



Mrs C Buxton

Trustee

The King's Foundation

Statement of Trustees' Responsibilities


The trustees (who are also the directors of The King's Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. 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 of the charity on 31/8/21 and signed on its behalf by:


.....

Mrs C Buxton

Trustee

The King's Foundation

Independent Auditor's Report to the Members of The King's Foundation

Opinion

We have audited the financial statements of The King's Foundation (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2020 and of the group's results 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 requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The King's Foundation

Independent Auditor's Report to the Members of The King's Foundation

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 6], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The King's Foundation

Independent Auditor's Report to the Members of The King's Foundation

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

R Hampstead

Robert Hampstead (Senior Statutory Auditor)

For and on behalf of Landin Wilcock & Co, Statutory Auditor

68 Queen Street
Sheffield
S1 1WR

Date: 13/09/21

The King's Foundation

Consolidated Statement of Financial Activities for the Year Ended 31 December 2020 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £
Income and Endowments from:			
Donations and legacies	2	8,678	8,678
Grants received	2	191,948	191,948
Charitable activities	3	812,234	812,234
Investment income		1,255	1,255
Income from other trading activities	4	105,637	105,637
Total Income		1,119,752	1,119,752
Expenditure on:			
Raising funds		(99,904)	(99,904)
Charitable activities	5	(1,388,420)	(1,388,420)
Total Expenditure		(1,488,324)	(1,488,324)
Net income		(368,572)	(368,572)
Net movement in funds			
Reconciliation of funds			
Total funds brought forward		684,943	684,943
Total funds carried forward	19	316,371	316,371
	Note	Unrestricted funds £	Total 2019 £
Income and Endowments from:			
Donations and legacies	2	1,912	1,912
Charitable activities	3	2,420,184	2,420,184
Investment income		4,194	4,194
Income from other trading activities	4	359,033	359,033
Total Income		2,785,323	2,785,323
Expenditure on:			
Raising funds		(244,066)	(244,066)
Charitable activities	5	(2,551,577)	(2,551,577)
Total Expenditure		(2,795,643)	(2,795,643)
Net income		(10,320)	(10,320)
Net movement in funds		(10,320)	(10,320)
Reconciliation of funds			
Total funds brought forward		695,263	695,263
Total funds carried forward	19	684,943	684,943

The King's Foundation

Consolidated Statement of Financial Activities for the Year Ended 31 December 2020 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

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

The funds breakdown for 2020 and 2019 is shown in note 20.


The King's Foundation

(Registration number: 05099069)

Consolidated Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	53,384	76,878
Investments	13	367	367
		<u>53,751</u>	<u>77,245</u>
Current assets			
Investments	14	-	350,000
Stocks	15	38,999	14,330
Debtors	16	112,182	199,182
Cash at bank and in hand		<u>462,232</u>	<u>246,938</u>
		613,413	810,450
Creditors: Amounts falling due within one year	17	<u>(350,793)</u>	<u>(202,752)</u>
Net current assets		<u>262,620</u>	<u>607,698</u>
Net assets		<u>316,371</u>	<u>684,943</u>
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		<u>316,371</u>	<u>684,943</u>
Total funds	20	<u>316,371</u>	<u>684,943</u>

The financial statements on pages 10 to 32 were approved by the trustees, and authorised for issue on 31.12.21.....and signed on their behalf by:




 Mrs C Buxton
 Trustee

The King's Foundation
(Registration number: 05099069)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	53,384	76,878
Investments	13	369	369
		<u>53,753</u>	<u>77,247</u>
Current assets			
Investments	14	-	350,000
Stocks	15	38,999	14,330
Debtors	16	106,649	116,676
Cash at bank and in hand		<u>457,252</u>	<u>217,492</u>
		602,900	698,498
Creditors: Amounts falling due within one year	17	<u>(346,015)</u>	<u>(205,769)</u>
Net current assets		<u>256,885</u>	<u>492,729</u>
Net assets		<u>310,638</u>	<u>569,976</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>310,638</u>	<u>569,976</u>
Total funds	20	<u>310,638</u>	<u>569,976</u>

The financial statements on pages 10 to 32 were approved by the trustees, and authorised for issue on 31/12/21 and signed on their behalf by:



 Mrs C Buxton
 Trustee

The King's Foundation

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income		(368,572)	(10,320)
Adjustments to cash flows from non-cash items			
Depreciation		39,780	57,594
Investment income		(1,255)	(4,194)
Loss on disposal of tangible fixed assets		1,749	-
		(328,298)	43,080
Working capital adjustments			
Decrease/(increase) in stocks	15	(24,669)	5,656
Decrease in debtors	16	87,000	46,212
Increase in creditors	17	148,041	30,678
Net cash flows from operating activities		(117,926)	125,626
Cash flows from investing activities			
Interest receivable and similar income		1,255	4,194
Invested in current asset investments	14	350,000	80,000
Purchase of tangible fixed assets	12	(18,034)	(53,288)
Sale of tangible fixed assets		-	-
Net cash flows from investing activities		333,221	30,906
Net increase in cash and cash equivalents		215,295	156,532
Cash and cash equivalents at 1 January		246,937	90,405
Cash and cash equivalents at 31 December		462,232	246,937

All of the cash flows are derived from continuing operations during the above two periods.

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

The King's Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The presentation and functional currency is considered to be pounds sterling because this is the currency in the primary economic environment in which the Charitable Group operates.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2020.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit for the financial year of £374,305 (2019 - £125,286).

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group. The current COVID-19 situation is being monitored continually and the group is now running camps over the school holidays to the same levels as the camps pre-Covid. The group has restructured by reducing staff numbers. The group is taking advantage of the government Coronavirus Job Retention Scheme. The group has shown resilience and ingenuity in adapting to the rapidly changing environment and have demonstrated that they can weather any future challenges appropriately. The group will be looking to increase their operations going forward using the extensive knowledge gained from the pandemic.

Given the fact that the group has been able to achieve camp booking levels to match pre-Covid levels, along with taking advantage of the current government financial assistance the trustees consider the group to be a going concern.

Income and endowments

Revenue represents the fees receivable for the provision of activities to children during school holiday excluding VAT. Fees are recognised over the period of delivery of the service.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Expenditure

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

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

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

Taxation

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

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Motor vehicles	25% straight line basis
Fixtures, fittings and equipment	15%/33% straight line basis

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

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

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

Cash and cash equivalents

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Borrowings

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

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

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

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Fund structure

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

Financial instruments

Classification

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

Government grants

Government grants in respect of job retention which are received by the charity for compensation for expenses or losses are recognised in the same period as the related expenditure.

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Recognition and measurement

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

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

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

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

Fair value measurement

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

2 Income from donations and grants

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Donations and legacies;			
Donations from individuals	8,678	8,678	1,912
Coronavirus Job Retention Scheme Grant	191,948	191,948	-
	200,626	200,626	1,912

3 Income from charitable activities

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Sports camps UK	812,234	812,234	2,420,184
	812,234	812,234	2,420,184

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Other income

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Income from trading subsidiary	105,637	105,637	359,033

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

5 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2020 £	Total 2019 £
Sports camps UK	511,581	866,530	1,378,111	2,531,012
Overseas charitable activities	4,219	90	4,309	14,565
	<u>515,800</u>	<u>866,620</u>	<u>1,382,420</u>	<u>2,545,577</u>

£1,382,410 (2019 - £2,545,577) of the above expenditure was attributable to unrestricted funds and £Nil (2019 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £6,000 (2019 - £6,000) which relate directly to charitable activities. See note 6 for further details.

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Analysis of governance and support costs

Charitable activities expenditure

		Unrestricted funds		
	Basis of allocation	General £	Total 2020 £	Total 2019 £
Premises costs	Usage	111,611	111,611	122,236
Wages and salaries	Usage	632,136	632,136	766,834
Staff welfare and training	Usage	7,708	7,708	13,989
Printing, postage and stationery	Usage	2,072	2,072	7,297
Motor and travel	Usage	27,770	27,770	37,736
Legal and professional	Usage	32,605	32,605	33,894
Bank charges	Usage	11,189	11,189	18,500
Bad debts	Usage	-	-	4,200
Depreciation and loss on disposal	Usage	41,529	41,529	57,592
		866,620	866,620	1,062,278

Support costs allocated to charitable activities

	Basis of allocation	Legal costs £	Staff costs £	Premises costs including depreciation £	Other support costs £
Sports camps UK	Usage	32,605	632,136	153,140	48,649
Overseas charitable activities	Usage	-	-	-	90
		32,605	632,136	153,140	48,739
				Total 2020 £	Total 2019 £
Sports camps UK				866,530	1,062,222
Overseas charitable activities				90	56
				866,620	1,062,278

Governance costs

	Unrestricted funds		
	General £	Total 2020 £	Total 2019 £
Audit fees	6,000	6,000	6,000

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

7 Net incoming/outgoing resources for the year include:

	2020	2019
	£	£
Audit fees	6,000	6,000
Other non-audit services	4,834	5,974
Profit on disposal of tangible fixed assets	-	-
Depreciation of fixed assets	41,529	57,592

8 Trustees remuneration and expenses

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

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

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	823,158	1,397,340
Social security costs	60,297	79,989
Pension costs	38,051	46,185
	<u>921,506</u>	<u>1,523,514</u>

Pension commitments at the year end were £2,698 (2019 - £4,695).

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Head office	24	32
Camp	17	46
	<u>41</u>	<u>78</u>

The number of employees whose emoluments fell within the following bands was:

	2020 No	2019 No
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

10 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>6,000</u>	<u>6,000</u>

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Taxation

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

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Tangible fixed assets

Group

	Furniture and equipment £	Sports equipment £	Total £
Cost			
At 1 January 2020	232,254	119,836	352,090
Additions	10,123	7,912	18,035
Disposals	(3,180)	-	(3,180)
At 31 December 2020	239,197	127,748	366,945
Depreciation			
At 1 January 2020	188,030	87,182	275,212
Charge for the year	15,503	24,277	39,780
Eliminated on disposals	(1,431)	-	(1,431)
At 31 December 2020	202,102	111,459	313,561
Net book value			
At 31 December 2020	37,095	16,289	53,384
At 31 December 2019	44,224	32,654	76,878

Charity

	Furniture and equipment £	Sports equipment £	Total £
Cost			
At 1 January 2020	232,254	119,836	352,090
Additions	10,123	7,912	18,035
Disposals	(3,180)	-	(3,180)
At 31 December 2020	239,197	127,748	366,945
Depreciation			
At 1 January 2020	188,030	87,182	275,212
Charge for the year	15,503	24,277	39,780
Eliminated on disposals	(1,431)	-	(1,431)
At 31 December 2020	202,102	111,459	313,561
Net book value			
At 31 December 2020	37,095	16,289	53,384
At 31 December 2019	44,224	32,654	76,878

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Fixed asset investments

Group

	2020 £	2019 £
Other investments	367	367

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2020	367	367
At 31 December 2020	367	367
Net book value		
At 31 December 2020	367	367
At 31 December 2019	367	367

The market value of the listed investments at 31 December 2020 was £367 (2019 - £367).

Charity

	2020 £	2019 £
Shares in group undertakings and participating interests	2	2
Other investments	367	367
	369	369

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2020	2	2
At 31 December 2020	2	2
Net book value		
At 31 December 2020	2	2
At 31 December 2019	2	2

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2020	367	367
At 31 December 2020	367	367
Net book value		
At 31 December 2020	367	367
At 31 December 2019	367	367

The market value of the listed investments at 31 December 2020 was £367 (2019 - £367).

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
The King's Foundation Professional Services Limited (03145498)	England and Wales	Ordinary shares	100%	The provision of services to the childcare and leisure sectors

14 Investments

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cash or cash equivalents	-	-	350,000	350,000

15 Stock

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Stocks	38,999	14,330	38,999	14,330

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	5,657	81,625	125	12,022
Other debtors	106,525	117,557	106,525	104,654
	<u>112,182</u>	<u>199,182</u>	<u>106,649</u>	<u>116,676</u>

17 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	64,454	84,086	63,959	83,798
Due from group undertakings	-	-	3,583	9,363
Other taxation and social security	16,110	24,742	12,444	18,684
Accruals	270,229	93,924	266,029	93,924
	<u>350,793</u>	<u>202,752</u>	<u>346,015</u>	<u>205,769</u>

18 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

19 Commitments

Other financial commitments

Premises rent & car lease

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Not later than one year	57,001	59,913	57,001	59,913
Later than one year and not later than five years	193,314	199,777	193,314	199,777
Over five years	130,625	178,125	130,625	178,125
	<u>380,940</u>	<u>437,815</u>	<u>380,940</u>	<u>437,815</u>

The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

20 Funds

Group

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
Unrestricted general funds	684,943	1,119,752	(1,488,324)	316,371
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £

Unrestricted funds

Unrestricted general funds	695,263	2,785,323	(2,795,643)	684,943
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Charity

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
Unrestricted general funds	569,976	1,129,082	(1,386,420)	310,638
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £

Unrestricted funds

Unrestricted general funds	461,852	2,426,290	(2,318,166)	569,976
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The King's Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Analysis of net assets between funds

Group

	Unrestricted funds General £	Total funds £
Tangible fixed assets	53,384	53,384
Fixed asset investments	367	367
Current assets	613,413	613,413
Current liabilities	(350,793)	(350,793)
Total net assets	316,371	316,371

Charity

	Unrestricted funds General £	Total funds £
Tangible fixed assets	53,384	53,384
Fixed asset investments	369	369
Current assets	602,900	602,900
Current liabilities	(346,015)	(346,015)
Total net assets	310,638	310,638

22 Analysis of net funds

Group

	At 1 January 2020 £	Cash flow £	At 31 December 2020 £
Cash at bank and in hand	246,937	215,295	462,232
Net debt	246,937	215,295	462,232

23 Donations

Donations of £3,898 (2019 - £16,792) were made to Kings Foundation Botswana during the year.