

Charity Registration No. 1106273

Company Registration No. 05124435 (England and Wales)

KINGSGATE COMMUNITY CHURCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

KINGSGATE COMMUNITY CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Directors and Trustees

Dr David Smith (Chairman)
Mr Simon Wilson
Mr Norman Paskin
Mr Barry Featherstone
Mr Matthew Negus

Secretary

Mrs Sally Duffy

Multisite Strategy Team

Dr David Smith
Mrs Karen Smith
Mr Simon Deeks
Mrs Sally Duffy
Mr David Robertson
Mr Jim Thody
Mrs Heather Robertson
Mrs Jasmine Allen
Mr Phil Timson
Mrs Zia Deeks
Mrs Sharon Keogh

Charity number

1106273

Company number

05124435

Principal office

2 Staplee Way
Parnwell
Peterborough
United Kingdom
PE1 4YT

Auditor

Azets Audit Services
Ruthlyn House
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Cambridgeshire
PE1 2SP
United Kingdom
PE1 2SP

Bankers

Allied Irish Bank
61/62 The Mall
London
United Kingdom
W5 3TA

KINGSGATE COMMUNITY CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Hegarty LLP
48 Broadway
Peterborough
United Kingdom
PE1 1YW

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

KINGSGATE COMMUNITY CHURCH

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KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The Objectives of The Charity

The charity's purposes, as set out in the objects contained in the company's memorandum of association, are:

1. The advancement of the Christian faith in accordance with the doctrine set out in the underwritten Fourth Schedule and the worship of God in the said county and elsewhere by any means whatsoever including (but not by way of limitation) the preaching and proclamation of the Christian gospel, the teaching of the Christian Doctrine and principles, the pastoral care of Christian people and the printing and distribution of the Bible and Christian literature including video, and audio recordings and by any other media which is, or may become, available.
2. The relief of persons who are in conditions of need, hardship or distress or who are aged or sick.
3. The advancement of education on the basis of Christian principles and, without prejudice, to the generality of the foregoing, the provision of such education in any educational establishment and, if the Trustees so decide, the provision of one or more charitable educational establishments for the general education of children and adults on the basis of such Christian principles.

2020 Vision, Values and Strategic Priorities

In 2020, the Strategic Leadership Team of KingsGate Community Church reaffirmed the vision, values and strategic priorities of the Church as:

Vision: 'Transforming Lives from our Neighbourhoods to the Nations by the Power of God's Love'.

Values: Word, Spirit, Worship, Prayer, Fellowship, Discipleship, Mission and Stewardship.

Strategic Priorities:

In March 2020, the Senior Leadership Team, along with Directors, discussed the impact of the COVID crisis on our activities, priorities, and finances going forward. The conclusion to those discussions identified the need to review our strategic priorities for the remainder of 2020. Although our basic purpose remained the same, we identified the need to simplify and focus on three key priorities: Sunday experiences (online and in person when possible), Life Groups and Community Action. In all three of these priority areas, we needed to identify how these strategic priorities could be delivered predominantly online.

2020 Activities:

Sunday Services

The core activity continues to be providing a worship experience and teaching via Sunday services. Prior to March 2020 average attendance across all our services was 2,400. From the 22 March, we transitioned to providing our Sunday services online, via YouTube and the Church Online platform. We have consistently seen more people watching online than previously attended in person and have heard wonderful stories of KingsGate members, as well as Christians from further afield, being strengthened and helped. Unchurched people have also been tuning in too and giving their lives to Jesus. Here's one such story:

KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

"I just had a Zoom call with a lady who made a first-time commitment last week. She's from Peterborough but never attended a service in person. Her friend sent her the online service link a month ago and she's been watching avidly every Sunday, she said she finds herself crying every time she watches and feels like the things we share have given her meaning. She's planning on joining an Alpha Online group and can't wait to join us in person!"

Towards the end of September 2020, we introduced watch parties to offer a COVID safe in-person option once again. However, this was short lived as a further lockdown was introduced in November.

Life Groups

LifeGroups continue to be a vital part of our community and a great way to build friendships, grow in faith and get connected into the life of the church. From March 2020 LifeGroups moved from being nearly 100% in-person groups to being 100% online. During 2020 Lifegroups have continued throughout the year and although there have been reports of 'zoom fatigue' many groups have been better attended than previously and engagement has remained high. We are especially grateful to the hundreds of volunteer leaders who continue to care for the church family.

Community Action

At the start of 2020, KingsGate set out a vision to 'serve the poor like never before'. The pandemic raised significant challenges to ensuring that our services continued to operate but also gave us unprecedented opportunities to serve our cities like never before.

Following the start of the first lockdown, Community Action very rapidly changed its approach in response to the changing circumstances and emerging needs in the community. By the end of 2020, Peterborough Foodbank and Care Zone had supported nearly 14,000 people, a significant increase on the previous year. To respond to a surge in demand during the early stages of the first lockdown, Peterborough Foodbank moved to a one centre model, rolled out an 'e-referral' system, introduced home deliveries and recruited a new volunteer team to replace those longstanding vulnerable volunteers who were required to shield. It also secured funding from Trussell Trust and the Revitalisation Trust to increase its infrastructure capacity and food stocks to ensure that the project could continue to meet the rapidly increasing need for emergency food support. This coupled with a sharp increase in donations through the incredible generosity of the community and commercial organisations ensured that Peterborough Foodbank was positioned well to respond to the increasing numbers of people visiting foodbanks.

Peterborough Foodbank increased its collaboration with other emergency feeding projects and charities in the city by sharing excess food donations and acting as a hub to receive bulk food donations and then distribute it to other food projects. It also saw an emerging group of people needing support who had been adversely affected by the pandemic but had never needed help before and did not know where to access support. To meet the needs of this group and to reduce their need to revisit foodbanks, a 'wrap around care' model was developed to seek to address the underlying reasons the foodbank was accessed. A partnership with Citizens Advice Peterborough was launched to offer information and advice on income maximisation, welfare benefit and housing issues for people accessing the foodbank, enabling them to access rapid support.

KingsGate also partnered with 'Love Your Neighbour', a national movement committed to supporting churches offering practical support to their communities. This enabled us to launch a Debt Advice Service to further increase support for people coming to Peterborough Foodbank and Care Zone.

During the pandemic, Care Zone also quickly adapted its service to ensure that it continued to offer practical support to families facing difficulties by rolling out a telephone referral service, implemented a kerbside delivery model and particularly supported families fleeing domestic violence during the first lockdown. It also worked with the local authorities and other organisations to support the resettlement of people into the community who had previously been sleeping rough and secured additional funding to increase the practical support it could offer. KingsGate further supported this initiative by donating beds and bedding for people who had been homeless and were subsequently accommodated.

FOR THE YEAR ENDED 31 DECEMBER 2020

We additionally transferred 10% of all offerings, including the special offering, into our Mission Fund. This helps to resource our Community Action projects, as well as resourcing our partnerships with overseas mission projects, as The trustees have paid out regarding advice issued by the Charity Commission in the decision on the activities that charities should undertake, Cambridge and Leicester.

KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

Financial review

Income

Total income, both restricted and unrestricted, of £4.05 million was received in 2020. (£4.57 million in 2019).

The charity's main income stream is from tithes and offerings given by church members and regular attendees. In 2020 unrestricted tithes and offerings were £2,589,858 (2019 £2,648,858) which was a 2.2% decrease compared to 2019. This included £487,465 of unrestricted offerings received by the Cambridge centre, a 14.7% decrease compared to 2019.

Restricted offerings were £594,564 (2019 £789,424) and includes £120,401 of restricted offerings from our Leicester Centre, a 45.9% increase compared to 2019. These figures include £19,590 of income tax repayments (16.3% of total income).

Expenditure

Expenditure for the year totalled £3,017,564 (2019 £3,631,170) excluding commercial operations in the trading subsidiary.

During 2020, salaries (excluding salaries within the commercial operations) accounted for 56.2% of 2020 expenditure, £1.70 million, compared to 47.5% of 2019 expenditure, £1.72 million. The charity employs both ministry-based positions, such as pastors, children and youth workers and community action workers, as well as administration and management staff, all of which work under the overall direction of the Strategic Leadership Team.

Reserves Policy

It is the policy of the charity to work towards and then maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months unrestricted expenditure excluding certain discretionary spend. This would provide sufficient funds to cover salaries and building running costs for three months. Unrestricted funds of the charity were £1,025k at 31 December 2020 (excluding interest in land & property). The current reserves level are 40% more than the minimum reserves required.

The need for the charity to hold significant reserves is generated by the employment of 65 full and part time permanent employees along with building running costs of the KingsGate, Peterborough building.

It is the charity's policy to monitor growth and income statistics carefully and if income were to continue to fall significantly, take immediate measures to minimise risk.

Risk Management

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

COVID-19 Risk

During 2020, KingsGate had to respond to the impact of the coronavirus pandemic on the organisation. In March 2020, two main risks were identified: the impact on conferencing business within the trading company and the possible reduction in tithes and offerings due to the inability to gather on a Sunday. The Senior Leadership Team, in discussion with Trustees, put several things in place to mitigate these risks. From the first Sunday following lockdown, KingsGate launched online Sunday services, enabling the church family to continue gathering together, but online. This has resulted in more people watching our online Sunday services than were previously attending in person. Also, as during this season, we have not been able to meet on a Sunday in person or provide a large number of our normal activities, we took the opportunity to use the Coronavirus Job Retention Scheme. During 2020, we saw a 5.3% fall in tithes and offerings compared to 2019. The reduction in conferencing income and tithes and offerings resulted in an overall reduction in income of £570k. This was compensated for by a significant reduction in expenditure and the ability to furlough staff. We also carried out a staffing review with the aim of permanently reducing staffing levels to minimise any shortfall in 2020 and to ensure financial security in 2021. This resulted in the decision to make several staff redundant, redeploy staff and leave a number of roles vacant. This resulted in a surplus in unrestricted funds for the year of £283k. These risks have continued into 2021, but due to the continued availability of the Coronavirus Job Retention Scheme, reduction in expenditure and increase in reserves due to the 2020 surplus, KingsGate is in a good position to manage the expected shortfall in 2021.

The impact of the fall in income, also means there is a risk that we may breach our loan covenants in 2021/2022. Following a discussion with the bank, we have put in a formal request for the bank to waive the income covenant in 2021.

Although the pandemic has had a significant impact, Trustees are confident that KingsGate remains financially secure.

Future Plans

During 2021 we continue to focus on our three main priorities of Sunday Services, LifeGroups and Community Action. Along side this, we also plan to launch an online KingsGate campus to enable those that have joined online during this season, to continue their journey of belonging and discipleship with us from wherever they are in the world. When restrictions allow, another important focus for 2021, is to help transition the church back to meeting in-person once again.

Structure, governance and management

Governing Document

KingsGate Community Church is a company limited by Guarantee with no share capital. It was incorporated as Peterborough Community Church on the 11th May 2004 and was registered with the Charity Commission on the same day. It changed its name to KingsGate Community Church from 1st February 2008.

None of the trustees have any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute such amount as may be required (not exceeding £10) to the company's assets in the event of a winding up.

KingsGate Community Church business is concluded under the framework of its governing memorandum and articles of association, prepared under the Companies Act 1985.

KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr David Smith (Chairman)

Mr Simon Wilson

Mr Norman Paskin

Mr Barry Featherstone

Mr Richard Johnson

(Resigned 1 October 2020)

Mr Matthew Negus

Appointment of Trustee Directors

The trustees, who have served during the year and since the year end, are set out on page 2. Trustees are appointed by the board and each year, one third retire by rotation and either new trustees are identified, or previous serving trustees are reappointed.

Trustee Induction and Training

All trustees are offered external training which will help them to undertake their roles and responsibilities.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisation

The board of trustees normally meet 4 times a year. Trustees ensure that the charity remains solvent, is well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up. The Strategic Leadership Team, which is made up of the Senior Leadership Team and the Multisite Strategy Team, are responsible for the day-to-day running of the organisation. Key strategies identified by the Senior Leadership Team and the Multisite Strategy Team are ratified by Trustees before implementation.

Related Parties

KingsGate Trading Ltd, a wholly owned subsidiary, was established on 26 January 2007. This subsidiary was incorporated to manage the business activities of the charity including the provision of conference facilities, sale of books and resources, and a coffee shop. KingsGate Community Church granted a 'licence to use' the building to KingsGate Trading Ltd who began to hire out the building from 1 June 2008. At the beginning of the COVID 19 pandemic, KingsGate Trading Ltd ceased trading due to government restrictions. From April 2020, all 5 permanent staff and 27 casual staff were asked to go on furlough leave in line with the Coronavirus Job Retention Scheme. A further decision was then made to permanently close the coffee shop and 2 staff members were subsequently made redundant. For the period 1 January 2020 to the 28 April 2020 the trading company paid a management charge of £19,131 (£74,334 for the whole of 2019), under this 'license to use' agreement. The trading company also recharged wages and salary costs of £4,425 to KingsGate Community Church (In 2019 KingsGate Community Church recharged £31,150 to KingsGate Trading Ltd). KingsGate Trading Ltd made a distribution under gift aid of £3,485 (2019 £186,598) to KingsGate Community Church, its parent company.

KingsGate Trading Ltd recorded a loss for the year, after distributions, of £2,361 (2019 a loss of £3,556).

Auditor

On 7 September 2020 Group Audit Services Limited trading as Baldwins Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr Barry Featherstone

Trustee

Dated: 23 June 2021

KINGSGATE COMMUNITY CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then 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 charity will continue in operation.

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

KINGSGATE COMMUNITY CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF KINGSGATE COMMUNITY CHURCH

Opinion

We have audited the accounts of Kingsgate Community Church (the 'charity') and its subsidiary for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KINGSGATE COMMUNITY CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF KINGSGATE COMMUNITY CHURCH

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KINGSGATE COMMUNITY CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF KINGSGATE COMMUNITY CHURCH

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk 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.

Use of our report

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

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

28 June 2021

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

KINGSGATE COMMUNITY CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total	Total
	Notes	2020 £	2020 £	2020 £	2020 £	2019 £
Income and endowments from:						
Donations and legacies	3	2,589,858	-	594,564	3,184,422	3,438,282
Charitable activities	4	56,948	-	287,944	344,892	342,376
Other trading activities	5	313,243	-	-	313,243	792,120
Other income	6	206,603	-	-	206,603	-
Total income		3,166,652	-	882,508	4,049,160	4,572,778
Expenditure on:						
Raising funds	7	297,404	-	-	297,404	540,527
Charitable activities	8	2,039,093	222,697	755,774	3,017,564	3,631,170
Total resources expended		2,336,497	222,697	755,774	3,314,968	4,171,697
Net Incoming resources before transfers		830,155	(222,697)	126,734	734,192	401,081
Gross transfers between funds		(603,795)	405,911	197,884	-	-
Net income for the year/ Net movement in funds		226,360	183,214	324,618	734,192	401,081
Fund balances at 1 January 2020		798,375	6,316,662	680,674	7,795,711	7,394,630
Fund balances at 31 December 2020		1,024,735	6,499,876	1,005,292	8,529,903	7,795,711

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

KINGSGATE COMMUNITY CHURCH

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total
	Notes	2019 £	2019 £	2019 £	2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	2,648,858	-	789,424	3,438,282
Charitable activities	4	137,014	-	205,362	342,376
Other trading activities	5	792,120	-	-	792,120
Total income		3,577,992	-	994,786	4,572,778
<u>Expenditure on:</u>					
Raising funds	7	540,527	-	-	540,527
Charitable activities	8	2,320,606	246,753	1,063,811	3,631,170
Total resources expended		2,861,133	246,753	1,063,811	4,171,697
Net incoming resources before transfers		716,859	(246,753)	(69,025)	401,081
Gross transfers between funds		(541,695)	574,495	(32,800)	-
Net income for the year/ Net movement in funds		175,164	327,742	(101,825)	401,081
Fund balances at 1 January 2019		623,211	5,988,920	782,499	7,394,630
Fund balances at 31 December 2019		798,375	6,316,662	680,674	7,795,711

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

KINGSGATE COMMUNITY CHURCH

BALANCE SHEETS

AS AT 31 DECEMBER 2020

		Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
	Notes				
Fixed assets					
Tangible assets	15	8,439,457	9,338,271	8,569,763	9,464,324
Investments	16	-	1	-	1
		<u>8,439,457</u>	<u>9,338,272</u>	<u>8,569,763</u>	<u>9,464,325</u>
Current assets					
Stocks	18	14,542	-	16,453	-
Debtors	19	82,149	113,068	140,001	287,155
Cash at bank and in hand		2,329,541	2,250,558	1,738,719	1,548,698
		<u>2,426,232</u>	<u>2,363,626</u>	<u>1,895,173</u>	<u>1,835,853</u>
Creditors: amounts falling due within one year	20	(691,686)	(647,989)	(718,229)	(692,356)
Net current assets		<u>1,734,546</u>	<u>1,715,637</u>	<u>1,176,944</u>	<u>1,156,379</u>
Total assets less current liabilities		<u>10,174,003</u>	<u>11,053,909</u>	<u>9,746,707</u>	<u>10,620,704</u>
Creditors: amounts falling due after more than one year	21	(1,644,100)	(1,644,100)	(1,950,933)	(1,950,933)
Provisions for liabilities	23	-	-	(63)	-
Net assets		<u>8,529,903</u>	<u>9,409,809</u>	<u>7,795,711</u>	<u>8,669,771</u>
Income funds					
Restricted funds	24	1,005,292	1,005,292	680,674	680,674
<u>Unrestricted funds - general</u>					
Designated funds	25	6,499,876	7,398,690	6,320,466	7,211,223
General unrestricted funds	26	1,024,735	1,005,827	798,375	777,874
		<u>8,529,903</u>	<u>9,409,809</u>	<u>7,795,711</u>	<u>8,669,771</u>

The financial statements were approved by the board of directors and authorised for issue on 23 June 2021 and are signed on its behalf by:

Mr Barry Featherstone
Trustee
Company Registration No. 05124435

KINGSGATE COMMUNITY CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Cash flows from operating activities					
Cash generated from operations	31	985,181	1,096,219	783,376	758,336
Investing activities					
Purchase of tangible fixed assets		(98,096)	(98,096)	(288,581)	(287,862)
Proceeds on disposal of tangible fixed assets		4,941	4,941	-	-
Net cash used in investing activities		(93,155)	(93,155)	(288,581)	(287,862)
Financing activities					
Repayment of bank loans		(301,204)	(301,204)	(290,417)	(290,417)
Net cash used in financing activities		(301,204)	(301,204)	(290,417)	(290,417)
Net increase in cash and cash equivalents		590,822	701,860	204,378	180,037
Cash and cash equivalents at beginning of year		1,738,719	1,548,698	1,534,341	1,368,661
Cash and cash equivalents at end of year		2,329,541	2,250,558	1,738,719	1,548,698

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity Information

Kingsgate Community Church is a private company limited by guarantee incorporated in England and Wales. The registered office is 2 Staplee Way, Parnwell, Peterborough, PE1 4YT, United Kingdom.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain items at fair value. The principal accounting policies adopted are set out below.

1.2 Group financial statements

The financial statements consolidate the results of the charitable company and its subsidiary undertaking KingsGate Trading Limited on a line-by line basis. Intra-group sales and profits are eliminated fully on consolidation. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and so continue to adopt the going concern basis of accounting in preparing the financial statements. In arriving at this conclusion, the Trustees have considered the uncertainty regarding the ongoing impact of COVID. As described in more detail in the Trustees' report, whilst income has reduced in 2020, the trustees have taken a number of mitigating actions to limit the financial impact and the charity's mortgage provider has indicated that they will adopt a common sense approach to any potential breaches of covenants. On this basis the trustees believe there are sufficient reserves to enable the charity to operate through this period.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). The charity benefits from many voluntary hours and unclaimed out-of-pocket expenses contributed by a number of supporters. The charity is extremely grateful for all these gifts in kind.

The charity receives grants in respect of its activities. Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from trading activities is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is accounted for in the period in which the charity is entitled to receipt.

1.6 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities; and
- Other expenditure which represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and other administrative costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £250 are capitalised. No depreciation is provided on freehold land.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	1% p.a. straight line
Office equipment	25% p.a. reducing balance
Computer equipment	25% p.a. straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Fixed asset Investments

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

Investments in subsidiaries are measured at cost less impairment.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.14 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.15 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Gifts and offerings	558,939	81,594	640,533	755,468
Covenants and gift aid	1,615,985	291,955	1,907,940	2,069,034
Income tax repayments	414,934	61,322	476,256	526,280
Grants received	-	159,693	159,693	87,500
	<u>2,589,858</u>	<u>594,564</u>	<u>3,184,422</u>	<u>3,438,282</u>
For the year ended 31 December 2019	<u>2,648,858</u>	<u>789,424</u>		<u>3,438,282</u>
Grants receivable for core activities				
Peterborough City Council	-	106,264	106,264	87,500
The Trussell Trust	-	29,927	29,927	-
Church Revitalisation Trust	-	18,502	18,502	-
Cambs Community Funding	-	5,000	5,000	-
	<u>-</u>	<u>159,693</u>	<u>159,693</u>	<u>87,500</u>

4 Charitable activities

	2020 £	2019 £
Courses and events	15,067	23,501
Internship income	-	3,280
Foodbank income	119,394	21,445
Community action income	12,411	12,000
Learning communities	165,650	201,893
Miscellaneous income	32,370	80,257
	<u>344,892</u>	<u>342,376</u>
Analysis by fund		
Unrestricted funds	56,948	137,014
Restricted funds	287,944	205,362
	<u>344,892</u>	<u>342,376</u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other trading activities

	2020 £	2019 £
Commercial operations in trading subsidiary	313,243	792,120

6 Other income

	Unrestricted funds general 2020 £	Total 2019 £
Net gain on disposal of tangible fixed assets	3,489	-
Other income	203,114	-
	206,603	-

7 Raising funds

	2020 £	2019 £
<u>Commercial operations in trading subsidiary</u>		
Staff costs	222,858	267,588
Direct costs	37,964	174,847
Administrative expenses	36,582	98,092
	297,404	540,527

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities

	2020 £	2019 £
Staff costs	1,697,037	1,726,122
Depreciation	222,697	246,753
Outreach and Community Action	191,280	172,625
Sunday Experience and Connect	155,219	491,738
Pastoral Care	84,552	175,233
Equip and Leadership Development	207,452	253,955
Mission	53,873	52,901
Facilities	279,732	376,498
	<u>2,891,842</u>	<u>3,495,825</u>
Share of support costs (see note 9)	115,613	125,581
Share of governance costs (see note 9)	10,109	9,764
	<u>3,017,564</u>	<u>3,631,170</u>
Analysis by fund		
Unrestricted funds	2,039,093	2,320,606
Unrestricted funds - designated	222,697	246,753
Restricted funds	755,774	1,063,811
	<u>3,017,564</u>	<u>3,631,170</u>

9 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Office costs	101,484	-	101,484	102,357
Printing, postage and stationery	4,242	-	4,242	8,131
Photocopying	9,887	-	9,887	15,093
Audit fees	-	10,109	10,109	9,764
	<u>115,613</u>	<u>10,109</u>	<u>125,722</u>	<u>135,345</u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Trustees

Trustees' remuneration is permitted under certain limited circumstances, if paid as an employee, under the terms of its governing document. During the year, remuneration was paid to one Trustee amounting to £79,999 (2019 - £79,631). Employer pension contributions for this Trustee were £5,127 (2019 - £3,133). No Trustees waived any remuneration.

One Trustee (2019 - one) is accruing pension arrangements.

During the year trustees received reimbursement of expenses amounting to £nil (2019 - two trustees received £353) of which £nil (2019 - £nil) was outstanding at the year end and included within trade creditors.

11 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2020 £	2019 £
Audit of the charity's annual accounts	10,109	9,764
Other services to the group - the audit of the subsidiary	2,848	2,861
Total audit fees	12,957	12,625

12 Surplus for the financial year

As permitted by section 408 of the Companies Act 2006, the holding company's surplus has not been included in these financial statements. The surplus for the financial year is made up as follows:

	2020 £	2019 £
Holding company's gross income for the financial year	3,758,534	4,041,590
Holding company's surplus for the financial year	740,038	404,637

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Commercial operations in trading subsidiary

The wholly owned trading subsidiary, KingsGate Trading Limited, which is incorporated in England and Wales, pays a proportion of its profits to the charity by gift aid. KingsGate Trading Limited operates the resources centre, coffee shop and room hire at KingsGate Community Church. The charity owns the entire issued share capital of 1 ordinary share at £1 each. A summary of the trading results is shown below.

	2020 £	2019 £
KingsGate Trading Limited Profit & Loss Account		
Turnover	198,555	791,928
JRS income	114,605	-
Cost of sales	(280,015)	(517,603)
Administration costs	(13,966)	(23,758)
Other income and interest received	83	192
	<hr/>	<hr/>
Net profit	19,262	250,759
Add: sales made to charity	930	5,783
Less: management charges paid to charity	(19,131)	(74,334)
Less: purchases paid to charity	-	-
	<hr/>	<hr/>
	1,061	182,208
Dividend paid to charity	(3,485)	(186,598)
	<hr/>	<hr/>
	(2,424)	(4,390)
Tax on loss on ordinary activities	63	834
	<hr/>	<hr/>
Retained in the subsidiary	(2,361)	(3,556)
	<hr/>	<hr/>
 KingsGate Trading Limited Balance Sheet		
	2019 £	2019 £
Fixed assets	5,860	10,113
Current assets	95,658	260,620
Current liabilities	(76,749)	(240,055)
Provision for liabilities	-	(63)
	<hr/>	<hr/>
Total net assets	24,769	30,615
	<hr/>	<hr/>
Aggregate share capital and reserves	24,769	30,615
	<hr/>	<hr/>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
KingsGate Community Church	65	68
KingsGate Trading Limited	27	27
	<u>92</u>	<u>95</u>

Employment costs	2020 Charity £	2020 Subsidiary £	2020 Group £	2019 Group £
Wages and salaries	1,501,952	208,184	1,710,136	1,783,763
Social security costs	131,058	8,900	139,958	145,892
Other pension costs	64,027	5,774	69,801	64,055
	<u>1,697,037</u>	<u>222,858</u>	<u>1,919,895</u>	<u>1,993,710</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the pension scheme. During the year ended 31 December 2020, pension contributions for this employee amounted to £5,127 (2019 - £3,133).

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Tangible fixed assets

Group	Freehold land and buildings	Plant and equipment	Total
	£	£	£
Cost			
At 1 January 2020	8,951,827	1,279,746	10,231,573
Additions	-	98,096	98,096
Disposals	-	(21,607)	(21,607)
At 31 December 2020	8,951,827	1,356,235	10,308,062
Depreciation			
At 1 January 2020	847,957	813,853	1,661,810
Depreciation charged in the year	83,871	143,007	226,878
Eliminated in respect of disposals	-	(20,083)	(20,083)
At 31 December 2020	931,828	936,777	1,868,605
Carrying amount			
At 31 December 2020	8,019,999	419,458	8,439,457
At 31 December 2019	8,103,870	465,893	8,569,763
Charity			
	Freehold land and buildings	Plant and equipment	Total
	£	£	£
Cost			
At 1 January 2020	9,856,501	1,209,070	11,065,571
Additions	-	98,096	98,096
Disposals	-	(19,331)	(19,331)
At 31 December 2020	9,856,501	1,287,835	11,144,336
Depreciation			
At 1 January 2020	847,957	753,290	1,601,247
Depreciation charged in the year	83,871	138,826	222,697
Eliminated in respect of disposals	-	(17,879)	(17,879)
At 31 December 2020	931,828	874,237	1,806,065
Carrying amount			
At 31 December 2020	8,924,673	413,598	9,338,271
At 31 December 2019	9,008,544	455,780	9,464,324

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Tangible fixed assets

(Continued)

All assets are used for direct charitable purposes.

Included within land and buildings is an amount of £1,472,000 (2019 - £1,472,000) in respect of land which is not depreciated.

16 Fixed asset Investments

	Investment in subsidiaries £
Group	
Cost or valuation	
At 1 January 2020 & 31 December 2020	-
Charity	
Cost or valuation	
At 1 January 2020 & 31 December 2020	1

The investment represents a 100% shareholding in KingsGate Trading Limited, a company incorporated in England and Wales.

For details of the principal activity and results for the year, see note 13.

17 Financial instruments	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Carrying amount of financial assets				
Trade debtors	198	198	57,608	5,683
Other debtors	2,818	685	3,112	891
Amounts due from subsidiary undertakings	-	33,052	-	201,300
Bank and cash	2,329,541	2,250,558	1,738,719	1,548,698
Fixed asset investments	-	1	-	1
Measured at cost	2,332,557	2,284,494	1,799,439	1,756,573
Carrying amount of financial liabilities				
Trade creditors	26,178	19,916	43,116	51,406
Accruals	57,348	55,433	102,099	102,099
Bank loans	1,951,897	1,951,897	2,253,101	2,253,101
Measured at cost	2,035,423	2,027,246	2,398,316	2,406,606

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18	Stocks	2020 Group £	2020 Company £	2019 Group £	2019 Company £
	Finished goods and goods for resale	14,542	-	16,453	-
19	Debtors	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
	Amounts falling due within one year:				
	Trade debtors	198	198	57,608	5,683
	Income tax recoverable	33,830	33,830	39,686	39,686
	Amounts due from subsidiary undertakings	-	33,052	-	201,300
	Other debtors	2,818	685	3,112	891
	Prepayments and accrued income	45,303	45,303	39,595	39,595
		82,149	113,068	140,001	287,155
20	Creditors: amounts falling due within one year	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
	Notes				
	Bank loans	22	307,797	307,797	302,168
	Other taxation and social security		32,147	37,056	37,056
	Deferred income		210,149	171,239	171,239
	Trade creditors		26,178	19,916	43,116
	Other creditors		58,067	22,546	62,551
	Accruals		57,348	55,433	102,099
			691,686	647,988	718,229
					679,474

Deferred income is income received for Learning Communities that relates to the year ended 31 December 2021.

21	Creditors: amounts falling due after more than one year	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
	Notes				
	Bank loans	22	1,644,100	1,950,933	1,950,933

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Loans and overdrafts

	2020	2019
Group and charity	£	£
Bank loans	1,951,897	2,253,101
	<u> </u>	<u> </u>
Payable within one year	307,797	302,168
Payable after one year	1,644,100	1,950,933
	<u> </u>	<u> </u>

The bank borrowings are secured over the assets of the group.

23 Provision for liabilities

	2020	2020	2019	2019
Deferred taxation	Group	Charity	Group	Charity
Balances:	£	£	£	£
Accelerated capital allowances	-	-	63	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There were no deferred tax movements in the year.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Restricted funds

Group and Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Movement in funds		Balance at 31 December 2020
	Balance at 1 January 2019	Expenditure	Transfers	Balance at 1 January 2020	Expenditure	Transfers	
	£	£	£	£	£	£	£
Building fund - Peterborough	-	135,807	(135,807)	-	113,717	(113,717)	-
Building fund - Cambridge	25,886	3,130	(24,732)	4,284	2,274	(6,268)	290
Mission fund	358,436	146,489	(313,460)	249,145	440,610	(213,006)	195,620
Body needs fund - Peterborough	-	-	-	-	6,450	(7,823)	20,000
Body needs fund - Cambridge	858	-	-	858	-	(300)	558
Foodbank fund	66,083	21,445	(19,508)	68,020	119,394	(27,360)	160,054
Sabbatical fund	-	3,724	(1,870)	1,854	-	812	2,666
PCAS grant	63,867	87,500	(115,607)	35,760	80,000	(37,208)	78,552
Lengthen and strengthen fund	9,872	-	(9,872)	-	-	-	-
Learning Community fund	13,104	179,129	(179,943)	12,290	165,650	(168,672)	9,268
2020 vision fund	231,891	415,373	(257,072)	108,247	254,862	(131,234)	186,407
Children's work	6,438	1,125	-	7,563	1,000	-	8,563
Pamwell Hub grant	6,064	1,064	(5,940)	1,188	18,772	(2,565)	17,395
Coronavirus support grant	-	-	-	-	29,927	(14,964)	14,963
Peterborough - Love Your Neighbour	-	-	-	-	18,502	(23,268)	22,986
Winter Support fund	-	-	-	-	10,193	(5,201)	4,992
Peterborough Care Zone	-	-	-	-	5,000	(5,000)	-
	782,499	994,786	(1,063,811)	(32,800)	680,674	(755,774)	1,005,292

The Building funds are held to fund improvements to the premises at Peterborough and to finance any future Cambridge building needs. Once expended a transfer is made to a designated fund representing the interest in the land and property.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Restricted funds

(Continued)

The Mission fund arises from the commitment to spend 10% of all income on mission activities. These include community action, launching new Centres, overseas missions and gifts to other ministries.

The Body Needs fund represents funds to support members of the church community who are in financial hardship.

The Foodbank fund represents funds provided to support the running of a foodbank across Peterborough.

The sabbatical fund represents the balance of income given to the Church to finance the Senior Pastor's sabbatical.

PCAS grant was a grant received from the City Council for the provision of emergency food and furniture upon referral from the Peterborough Community Assistance scheme.

The Lengthen and Strengthen fund was an offering received to finance the launch of the London Centre, the installation of three hundred additional seats at the Peterborough building and the provision of bursaries for interns.

The Learning Community fund represents income and expenses in relation to educational events hosted in partnership with Gateway Church (Dallas), ARC and Stewardship.

The 2020 Vision fund was an offering received over a 4 year period to finance 5 key areas of the 2020 Vision: Inside out initiatives, Leadership Development, Launching new Centres, Technology and building needs.

The Children's Work fund was a donation received given specifically for the benefit of the Children's Ministry.

The Parmwell Hub grant was a grant received from the City Council to run community development activities in Parmwell with a range of partner agencies.

Coronavirus Support Grant was a grant received from the Trussell Trust to provide information and advice services for Peterborough Foodbank beneficiaries through a partnership with Citizens Advice Peterborough.

The Love Your Neighbour grant was a grant received from the Church Revitalisation Trust for the provision of emergency food, support the running of Care Zone and to launch a new Debt Advice Service.

The Winter Support Fund was a grant received from Peterborough City Council for the provision of emergency food and white goods upon referral from the Peterborough Community Assistance scheme.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

25 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Group	Balance atExpenditure 1 January 2019		Transfers	Balance atExpenditure 1 January 2020		Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£
Interest in land and property	5,644,223	(83,871)	290,417	5,850,769	(83,871)	301,204	6,068,102
Interest in fixed assets	344,697	(162,882)	284,078	465,893	(138,826)	92,301	419,458
Fixed asset fund	-	-	-	-	-	12,316	12,316
	5,988,920	(246,753)	574,495	6,316,662	(222,697)	405,911	6,499,876
Charity							
	Balance atExpenditure 1 January 2019		Transfers	Balance atExpenditure 1 January 2020		Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£
Interest in land and property	6,548,897	(83,871)	290,417	6,755,443	(83,871)	301,204	6,972,776
Interest in fixed assets	330,780	(162,882)	287,882	455,780	(138,826)	96,644	413,598
Fixed asset fund	-	-	-	-	-	12,316	12,316
	6,879,677	(246,753)	578,299	7,211,223	(222,697)	410,164	7,398,690

The designated fund for interest in land and property is an amount transferred from restricted funds in respect of restricted expenditure that has been capitalised in fixed assets. This fund will be utilised as depreciation is charged on the property.

The interest in fixed assets fund represents the net book value of equipment and vehicles. The brought forward element of this fund is included in the General fund.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

26 Unrestricted funds

Group	Movement in funds				Movement in funds					
	Balance at income 1 January 2019	Expenditure	Transfers	Balance at income 1 January 2020	Expenditure	Transfers	Balance at 31 December 2020			
General fund	£	£	£	£	£	£	£			
	623,211	3,577,992	(2,861,133)	(541,695)	798,375	3,166,652	(2,336,497)	(603,795)	1,024,735	
	623,211	3,577,992	(2,861,133)	(541,695)	798,375	3,166,652	(2,336,497)	(603,795)	1,024,735	
Charity	Movement in funds							Movement in funds		
	Balance at income 1 January 2019	Expenditure			Transfers	Balance at income 1 January 2020	Expenditure		Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£	£
General fund	602,958	3,046,804	(2,326,390)	(545,498)	777,874	2,876,026	(2,040,025)	(608,048)	1,005,827	
	602,958	3,046,804	(2,326,390)	(545,498)	777,874	2,876,026	(2,040,025)	(608,048)	1,005,827	
	602,958	3,046,804	(2,326,390)	(545,498)	777,874	2,876,026	(2,040,025)	(608,048)	1,005,827	

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

27 Analysis of net assets between funds

Group	Unrestricted funds	Designated funds	Restricted funds	Total Unrestricted funds	Designated funds	Restricted funds	Total
	2020	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:							
Tangible assets	-	8,439,457	-	8,439,457	-	8,569,763	8,569,763
Current assets/(liabilities)	1,024,735	(295,481)	1,005,292	1,734,546	798,438	(302,168)	1,176,944
Long term liabilities	-	(1,644,100)	-	(1,644,100)	-	(1,950,933)	(1,950,933)
Provisions	-	-	-	-	(63)	-	(63)
	1,024,735	6,499,876	1,005,292	8,529,903	798,375	6,316,662	7,795,711
	=====	=====	=====	=====	=====	=====	=====
Charity	Unrestricted funds	Designated funds	Restricted funds	Total Unrestricted funds	Designated funds	Restricted funds	Total
	2020	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:							
Tangible assets	-	9,338,271	-	9,338,271	-	9,464,324	9,464,324
Investments	1	-	-	1	1	-	1
Current assets/(liabilities)	1,005,826	(295,481)	1,005,292	1,715,637	777,873	(302,168)	1,156,379
Long term liabilities	-	(1,644,100)	-	(1,644,100)	-	(1,950,933)	(1,950,933)
	1,005,827	7,398,690	1,005,292	9,409,809	777,874	7,211,223	8,669,771
	=====	=====	=====	=====	=====	=====	=====

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

28 Control

No one individual has overall control of the charity.

29 Operating lease commitments

Group and charity

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	55,817	27,860
Between two and five years	12,601	30,773
	<u>68,418</u>	<u>58,633</u>

30 Related party transactions

Remuneration of key management personnel

The total amount of employee benefits (including employer's pension contributions) received by key management personnel is £553,125 (2019 - £543,836). The charity considers its key management personnel comprises of the twelve members (2019 - twelve members) of the Multisite Strategy team.

Transactions with related parties

During the year management charges of £19,131 (2019 - £74,334) were charged to KingsGate Trading Limited, a subsidiary company. Wages costs are recharged between the Charity and its subsidiary, resulting in a net income to the Charity of £4,425 (2019 - net cost of £31,159). A gift aided donation of £3,485 (2019 - £186,598) was also received from KingsGate Trading Limited. Included within debtors is £33,052 (2019 - £201,300) due from KingsGate Trading Limited.

Donations of £91,305 (2019 - £111,522) were received during the year from six Trustees (2019 - six Trustees). No conditions were attached to these donations.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

31	Cash generated from operations	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
	Surplus for the year	734,192	740,039	401,081	404,637
	Adjustments for:				
	Gain on disposal of tangible fixed assets	(3,417)	(3,489)	-	-
	Depreciation of tangible fixed assets	226,878	222,697	246,753	243,099
	Loss on disposal of fixed assets	-	-	4,502	3,654
	Movements in working capital:				
	Decrease in stocks	1,911	-	715	-
	(Increase)/decrease in debtors	57,852	174,087	174,778	137,683
	(Decrease) in creditors	(32,172)	(37,115)	(43,619)	(30,737)
	(Decrease) in provisions	(63)	-	(834)	-
	Cash generated from operations	985,181	1,096,219	783,376	758,336

32 Analysis of changes in net funds/(debt)

Group	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,738,719	590,822	2,329,541
Loans falling due within one year	(302,168)	(5,629)	(307,797)
Loans falling due after more than one year	(1,950,933)	306,833	(1,644,100)
	<u>(514,382)</u>	<u>892,026</u>	<u>377,644</u>
	<u><u>(514,382)</u></u>	<u><u>892,026</u></u>	<u><u>377,644</u></u>
Charity	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,548,698	701,860	2,250,558
	<u>1,548,698</u>	<u>701,860</u>	<u>2,250,558</u>
Loans falling due within one year	(302,168)	(5,629)	(307,797)
Loans falling due after more than one year	(1,950,933)	306,833	(1,644,100)
	<u>(704,403)</u>	<u>1,003,064</u>	<u>298,661</u>
	<u><u>(704,403)</u></u>	<u><u>1,003,064</u></u>	<u><u>298,661</u></u>

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