

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 2021

KINGSGATE COMMUNITY CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Directors and Trustees	Dr David Smith (Chairman) Mr Norman Paskin Mr Barry Featherstone Mr Matthew Negus Mr Samson Abioye (Appointed 1 May 2021)
Secretary	Mrs Sally Duffy
Multisite Strategy Team	Dr David Smith Mrs Karen Smith Mr Simon Deeks Mrs Sally Duffy Mr David Robertson (Left June 2021) Mr Jim Thody Mrs Heather Robertson (Left June 2021) Mrs Jasmine Allen Mr Phil Timson Mrs Zia Deeks Mrs Sharon Keogh Mr Simon Benn
Charity number	1106273
Company number	05124435
Principal office	2 Staplee Way Parnwell Peterborough United Kingdom PE1 4YT
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough 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 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

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.

2021 Vision, Values and Strategic Priorities

In 2021, 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 2021 we identified the need to refocus on our core mission, which as a church is "TRANSFORMING LIVES from our neighbourhoods to the nations, by the power of God's love", and the call for us to be disciples and make disciples. We identified three main areas:

1. GO together on mission for Jesus
2. GROW together in maturity in Jesus
3. COME together to meet with Jesus, a re-emphasis on the importance of the gathered church.

2021 Activities:

The main activity continues to be **teaching via Sunday services and Life Groups both online and in person whenever possible.**

Other activities in 2021 included:

- **Sunday Services:** In-person, weekly Sunday services resumed from April 2021 with two services being held at KingsGate Peterborough and one service at KingsGate Cambridge. KingsGate Leicester resumed meeting monthly from autumn 2021. Online services continue to be provided via YouTube and the Church Online platform.

KINGSGATE COMMUNITY CHURCH

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

FOR THE YEAR ENDED 31 DECEMBER 2021

- **LifeGroups:** LifeGroups continue to be one of the main ways people grow in their discipleship with Jesus, providing a personalised setting for development of gifts and spiritual depth. In 2021 LifeGroups have continued to meet regularly, either in-person and/or online. New pastoral area plans are helping to identify 'gaps' in the geographical coverage of LifeGroups. We recognise the vital part our volunteer leaders play in providing pastoral support to those in our church family through LifeGroups, especially over the pandemic. We are deeply grateful for all that they have done, continue to give and will give in the future.
- **Community Action:** 2021 was a year that despite the practical challenges of operating during lockdown saw Community Action continue to develop its support for people facing poverty and build wrap-around care for people accessing our services. This aimed to address some of the underlying reasons people found themselves in crisis and reduce the need for people to rely on Peterborough Foodbank. This wrap-around care included partnering with Citizens Advice Peterborough and Community Money Advice to offer information and advice.
- **Care Zone, Peterborough:** Furniture, clothing, toys, and other household items are provided free of charge to those who are in need in our community, referred through local agencies. In 2021, Care Zone furnished 694 properties and supported 1,400 people. Care Zone also worked with other community groups to support the resettlement of refugees in the city from Syria and Afghanistan. To date, thirteen houses have been prepared for refugee families and Care Zone is also beginning to support Ukrainian families arriving in the city as well.
- **Foodbank, Peterborough:** The Foodbank opened in 2012 in partnership with six local churches and is part of the Trussell Trust Foodbank network. The project helps people in crisis by providing three days' emergency food, as well as signposting and support to resolve the underlying problem. In 2021, Trussell Trust funding was secured to set up a financial inclusion pilot project for people presenting at foodbanks. The funding enabled Peterborough Foodbank to partner with Citizens Advice Peterborough to offer foodbank users information and advice around income maximisation, welfare benefits, housing, and immigration issues. The pilot project ran for 12 months, supported 220 families to address 770 issues and achieved £91,710 financial outcomes. The impact of this wrap around support saw a reduction in the numbers of people revisiting Peterborough Foodbank in 2021.
- **Foodbank, Cambridge:** KingsGate Cambridge are partnering with Cambridge City Foodbank and a volunteer team from Kingsgate Cambridge are running the Trumpington distribution centre.
- **Debt Advice Centre:** Using funding secured from the Church Revitalisation Trust, the KingsGate Community Money Advice Connect Centre opened in February 2021 to offer support for people struggling with debt issues. A team of volunteer money mentors, trained and supported by Community Money Advice have supported thirty-five families and to date has achieved £73,514 in financial outcomes. Eight families have completed the process and are now debt free.
- **Christmas Hampers:** KingsGate was part of the national 'Love Christmas' campaign, receiving match funding from the Church Revitalisation Trust and gave away more than 2,000 hampers filled with delicious food treats. KingsGate worked with community partners to ensure that the hampers went to families facing difficulties. This was a wonderful way to express our care for people during the Christmas season.
- **Youth:** 2021 started mid pandemic with LifeGroups and Friday night youth ministry provided through an online experience. Our online provision maintained a strong core of young people. Sunday youth ministry resumed in-person from Easter, with numbers increasing throughout the year to an average attendance in the autumn term of 88 young people. We launched our new youth branding 'KingsGate Youth – The Future Now' alongside the relaunch of our in-person Friday night youth service in September. Following three back-to-back vision nights, our Friday night youth ministry started strong, with 170 young people attending our first in-person. 2021 also saw the start of our YAC, Youth Advisory Council for Multiracial inclusion, as well as the development of our video based 'Bitesize' teaching, translating mainstage teaching for a younger audience, as well as creating a 'Youth Next steps' video teaching series.
- **Children's Ministry:** Children's work continues offering both in-person and online resources to support families in helping their children to encounter God. The teaching program continues to mirror main auditorium teaching across all ages. Numbers on Sunday morning continue to grow as families find their way back to in-person services. 2021 focussed on regrowing the Sunday morning volunteer team; identifying and developing leaders through our mentoring program.

KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

- **Overseas Mission:** 2021 was a very challenging year for our key overseas partners in Bulembu in eSwatini, Heart for Lebanon and Compassion, as they experienced the pandemic to a level far worse than the UK and most of Europe. Although we were unable to send teams, many children continue to be sponsored through Compassion and due to the generosity of the church, we were able to give financially to meet specific needs in both Bulembu and Lebanon. During this time, we have continued to support their work through focussed times of prayer as well as relational support to key leaders via zoom. We were also able to respond to global crises by giving financial gifts to World Vision in response to the Haiti earthquake and Tearfund for their ongoing work in Afghanistan.

2021 Together on Purpose Special Offering

In September 2021 we gave into the 'Together on Purpose' Special offering. This offering enabled us to continue to invest in leadership development, invest in the technology to support our online presence and support our community action projects, including the debt advice centre.

We additionally transferred 10% of this offering, into our Mission Fund. This helps to resource our Community Action projects, as well as resourcing our partnerships with overseas mission projects, as detailed above.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Financial review

Income

Total income, both restricted and unrestricted, of £3.74 million was received in 2021, a 7.5% decrease from 2020 (£4.05 million in 2020). These figures include furlough payments and income from the trading subsidiary. Furlough payments received for both church and trading in 2021 totalled £116,866, a decrease of 63.2% from 2020 (£317,802 in 2020). Trading income was £33,879 in 2021, an 82.9% decrease from 2020 (£198,556 in 2020). Total income excluding furlough and trading income for 2021 was £3.59 million, a 1.7% increase on 2020 (£3.52m in 2020).

The charity's main income stream is from tithes and offerings given by church members and regular attendees. In 2021, unrestricted tithes and offerings were £2,536,053 which was a 2.1% decrease compared to 2020 (£2,589,858 in 2020). This included £487,465 of unrestricted offerings received by the Cambridge centre, a 11.3% increase compared to 2020 (£487,465 in 2020). It also included £97,307 of unrestricted offerings from our Leicester centre, a 19.2% decrease compared to 2020 (£120,401 in 2020).

Restricted offerings were £657,937, which was a 10.7% increase on 2020 (£594,564 in 2020).

Expenditure

Expenditure for the year totalled £2,965,170 (2020 £3,017,564) excluding commercial operations in the trading subsidiary.

During 2021, salaries (excluding salaries within the commercial operations) accounted for 54.2% of 2021 expenditure, £1.61 million, compared to 56.2% of 2020 expenditure, £1.70 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.

KINGSGATE COMMUNITY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 £1,057k at 31st December 2021 (excluding interest in land & property). The current reserves level is £471k more than the minimum reserves required.

The need for the charity to hold significant reserves is generated by the employment of 55 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.

COVID-19 Risk

In 2021, the impact of COVID-19 continued to be a risk to KingsGate in two main ways: the impact on conferencing business within the trading company and reduction in tithes and offerings. During 2021 we saw a reduction in general tithes and offerings of £82k (3%) and conferencing made a loss of £28k. However, both these reductions in income were compensated for by a reduction in expenditure and the extension to the Coronavirus Job Retention Scheme.

In 2022, the loss of Conferencing income continues to be a risk, but we are beginning to see clients return and bookings are beginning to be secured. We are not expecting conferencing to return to pre-pandemic levels in 2022 and are forecasting an overall budget shortfall because of it. Any shortfall for 2022 will be financed from reserves that have cumulated over the previous three years.

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

Future Plans

In 2022 we will be continuing to focus on our core mission, which as a church is "TRANSFORMING LIVES from our neighbourhoods to the nations, by the power of God's love". We will continue to focus on following three main areas, building on what was done in 2021:

1. GO together on mission for Jesus
2. GROW together in maturity in Jesus
3. COME together to meet with Jesus, a re-emphasis on the importance of the gathered church.

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 2021

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

(Resigned 14 October 2021)

Mr Norman Paskin

Mr Barry Featherstone

Mr Matthew Negus

Mr Samson Abioye

(Appointed 1 May 2021)

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 meet at least four 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 26th 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. KingsGate Community Church granted a 'licence to use' the building to KingsGate Trading Ltd who started to hire out the building from 1st June 2008.

For the majority of 2021, KingsGate Trading Ltd was unable to trade due to COVID-19 restrictions. Events returned from September 2021. KingsGate Trading Ltd made no distributions to the parent company under gift aid and did not pay a management charge for the trading period. KingsGate Trading Ltd recorded a loss for the year £28,329 (2020 a loss of £2,361).

Auditor

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 2021

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: 25/6/2022

KINGSGATE COMMUNITY CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 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 2021 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

27.6.2022..

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 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	2,536,053	-	657,937	3,193,990	3,184,422
Charitable activities	4	75,073	-	318,197	393,270	344,892
Other trading activities	5	114,676	-	-	114,676	313,243
Other income	6	42,247	-	-	42,247	206,603
Total income		2,768,049	-	976,134	3,744,183	4,049,160
<u>Expenditure on:</u>						
Raising funds	7	154,525	-	-	154,525	297,404
Charitable activities	8	1,921,433	278,786	764,951	2,965,170	3,017,564
Total resources expended		2,075,958	278,786	764,951	3,119,695	3,314,968
Net incoming resources before transfers		692,091	(278,786)	211,183	624,488	734,192
Gross transfers between funds		(677,366)	680,130	(2,764)	-	-
Net income for the year/ Net movement in funds		14,725	401,344	208,419	624,488	734,192
Fund balances at 1 January 2021		1,024,735	6,499,876	1,005,292	8,529,903	7,795,711
Fund balances at 31 December 2021		1,039,460	6,901,220	1,213,711	9,154,391	8,529,903

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 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	2,589,858	-	594,564	3,184,422
Charitable activities	4	56,948	-	287,944	344,892
Other trading activities	5	313,243	-	-	313,243
Other income	6	206,603	-	-	206,603
Total income		3,166,652	-	882,508	4,049,160
<u>Expenditure on:</u>					
Raising funds	7	297,404	-	-	297,404
Charitable activities	8	2,039,093	222,697	755,774	3,017,564
Total resources expended		2,336,497	222,697	755,774	3,314,968
Net incoming resources before transfers		830,155	(222,697)	126,734	734,192
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
Fund balances at 1 January 2020		798,375	6,316,662	680,674	7,795,711
Fund balances at 31 December 2020		1,024,735	6,499,876	1,005,292	8,529,903

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 2021

	Notes	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed assets					
Tangible assets	15	8,523,720	9,413,984	8,439,457	9,338,271
Investments	16	-	1	-	1
		8,523,720	9,413,985	8,439,457	9,338,272
Current assets					
Stocks	18	14,542	-	14,542	-
Debtors	19	95,404	107,986	82,149	113,068
Cash at bank and in hand		2,485,312	2,457,748	2,329,541	2,250,558
		2,595,258	2,565,734	2,426,232	2,363,626
Creditors: amounts falling due within one year	20	(619,190)	(595,696)	(691,686)	(647,989)
Net current assets		1,976,068	1,970,038	1,734,546	1,715,637
Total assets less current liabilities		10,499,788	11,384,023	10,174,003	11,053,909
Creditors: amounts falling due after more than one year	21	(1,345,397)	(1,321,397)	(1,644,100)	(1,644,100)
Net assets		9,154,391	10,062,626	8,529,903	9,409,809
Income funds					
Restricted funds	24	1,213,711	1,213,711	1,005,292	1,005,292
<u>Unrestricted funds - general</u>					
Designated funds	25	6,901,220	7,791,484	6,499,876	7,398,690
General unrestricted funds	26	1,039,460	1,057,431	1,024,735	1,005,827
		9,154,391	10,062,626	8,529,903	9,409,809

The financial statements were approved by the board of directors and authorised for issue on 25/6/2022 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 2021

	Notes	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Cash flows from operating activities					
Cash generated from operations	31	804,600	842,664	985,181	1,096,219
Investing activities					
Purchase of tangible fixed assets		(368,840)	(355,485)	(98,096)	(98,096)
Proceeds on disposal of tangible fixed assets		7,092	7,092	4,941	4,941
Net cash used in investing activities		(361,748)	(348,393)	(93,155)	(93,155)
Financing activities					
Repayment of bank loans		(287,081)	(287,081)	(301,204)	(301,204)
Net cash used in financing activities		(287,081)	(287,081)	(301,204)	(301,204)
Net increase in cash and cash equivalents		155,771	207,190	590,822	701,860
Cash and cash equivalents at beginning of year		2,329,541	2,250,558	1,738,719	1,548,698
Cash and cash equivalents at end of year		<u>2,485,312</u>	<u>2,457,748</u>	<u>2,329,541</u>	<u>2,250,558</u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 since 2020, the trustees have taken a number of mitigating actions to limit the financial impact. 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 2021

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 2021

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 2021

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 2021

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Gifts and offerings	575,203	160,315	735,518	640,533
Covenants and gift aid	1,566,091	267,318	1,833,409	1,907,940
Income tax repayments	394,759	74,330	469,089	476,256
Grants received	-	155,974	155,974	159,693
	<u>2,536,053</u>	<u>657,937</u>	<u>3,193,990</u>	<u>3,184,422</u>
For the year ended 31 December 2020	<u>2,589,858</u>	<u>594,564</u>		<u>3,184,422</u>
Grants receivable for core activities				
Peterborough City Council	-	75,175	75,175	106,264
The Trussell Trust	-	31,392	31,392	29,927
Church Revitalisation Trust	-	47,742	47,742	18,502
Cambridgeshire Community Foundation	-	-	-	5,000
Other	-	1,665	1,665	-
	<u>-</u>	<u>155,974</u>	<u>155,974</u>	<u>159,693</u>

4 Charitable activities

	2021 £	2020 £
Courses and events	3,562	15,067
Foodbank income	87,727	119,394
Community action income	14,013	12,411
Learning communities	230,457	165,650
Miscellaneous income	57,511	32,370
	<u>393,270</u>	<u>344,892</u>
Analysis by fund		
Unrestricted funds	75,073	56,948
Restricted funds	318,197	287,944
	<u>393,270</u>	<u>344,892</u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Other trading activities

	2021 £	2020 £
Commercial operations in trading subsidiary	114,676	313,243

6 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Net gain on disposal of tangible fixed assets	6,178	3,489
Other income	36,069	203,114
	42,247	206,603

7 Raising funds

	2021 £	2020 £
<u>Commercial operations in trading subsidiary</u>		
Staff costs	143,485	222,858
Direct costs	6,765	37,964
Administrative expenses	4,275	36,582
	154,525	297,404

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	2021 £	2020 £
Staff costs	1,607,894	1,697,037
Depreciation	278,786	222,697
Outreach and Community Action	258,953	191,280
Sunday Experience and Connect	157,276	155,219
Pastoral Care	86,182	84,552
Equip and Leadership Development	165,500	207,452
Mission	67,090	53,873
Facilities	246,595	279,732
	<u>2,868,276</u>	<u>2,891,842</u>
Share of support costs (see note 9)	86,556	115,613
Share of governance costs (see note 9)	10,338	10,109
	<u>2,965,170</u>	<u>3,017,564</u>
Analysis by fund		
Unrestricted funds	1,921,433	2,039,093
Unrestricted funds - designated	278,786	222,697
Restricted funds	764,951	755,774
	<u>2,965,170</u>	<u>3,017,564</u>

9 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Office costs	74,943	-	74,943	101,484
Printing, postage and stationery	3,951	-	3,951	4,242
Photocopying	7,662	-	7,662	9,887
Audit fees	-	10,338	10,338	10,109
	<u>86,556</u>	<u>10,338</u>	<u>96,894</u>	<u>125,722</u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 £78,956 (2020 - £79,999). Employer pension contributions for this Trustee were £5,127 (2020 - £5,127). No Trustees waived any remuneration.

One Trustee (2020 - one) is accruing pension arrangements.

During the year two trustees received reimbursement of expenses amounting to £264 (2020 - £nil) of which £60 (2020 - £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:

	2021 £	2020 £
Audit of the charity's annual accounts	10,338	10,109
Other services to the group		
- the audit of the subsidiary	2,898	2,848
Total audit fees	<u>13,236</u>	<u>12,957</u>

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:

	2021 £	2020 £
Holding company's gross income for the financial year	<u>3,629,507</u>	<u>3,758,534</u>
Holding company's surplus for the financial year	<u>652,817</u>	<u>740,038</u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

KingsGate Trading Limited Profit & Loss Account	2021 £	2020 £
Turnover	33,859	198,555
JRS income	80,797	114,605
Cost of sales	(150,250)	(280,015)
Administration costs	(13,168)	(13,966)
Other income and interest received	20	83
Net profit	(48,742)	19,262
Add: sales made to charity	11,520	930
Less: management charges paid to charity	-	(19,131)
	(37,222)	1,061
Dividend paid to charity	-	(3,485)
	(37,222)	(2,424)
Tax on loss on ordinary activities	8,893	63
Retained in the subsidiary	(28,329)	(2,361)
	2021 £	2020 £
KingsGate Trading Limited Balance Sheet		
Fixed assets	14,410	5,860
Current assets	56,243	95,658
Current liabilities	(50,213)	(76,749)
Long term liabilities	(24,000)	-
Total net assets	(3,560)	24,769
Aggregate share capital and reserves	(3,560)	24,769

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
KingsGate Community Church	55	65
KingsGate Trading Limited	22	27
	<u>77</u>	<u>92</u>

Employment costs

	2021 Charity £	2021 Subsidiary £	2021 Group £	2020 Group £
Wages and salaries	1,418,852	131,105	1,549,957	1,710,136
Social security costs	128,044	7,464	135,508	139,958
Other pension costs	60,998	4,916	65,914	69,801
	<u>1,607,894</u>	<u>143,485</u>	<u>1,751,379</u>	<u>1,919,895</u>

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

	2021 Number	2020 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 2021, pension contributions for this employee amounted to £5,127 (2020 - £5,127).

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 January 2021	8,951,827	1,356,235	10,308,062
Additions	-	368,840	368,840
Disposals	-	(21,998)	(21,998)
At 31 December 2021	8,951,827	1,703,077	10,654,904
Depreciation			
At 1 January 2021	931,828	936,777	1,868,605
Depreciation charged in the year	83,871	199,720	283,591
Eliminated in respect of disposals	-	(21,012)	(21,012)
At 31 December 2021	1,015,699	1,115,485	2,131,184
Carrying amount			
At 31 December 2021	7,936,128	587,592	8,523,720
At 31 December 2020	8,019,999	419,458	8,439,457
Charity			
	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 January 2021	9,856,501	1,287,835	11,144,336
Additions	-	355,485	355,485
Disposals	-	(21,998)	(21,998)
At 31 December 2021	9,856,501	1,621,322	11,477,823
Depreciation			
At 1 January 2021	931,828	874,237	1,806,065
Depreciation charged in the year	83,871	194,915	278,786
Eliminated in respect of disposals	-	(21,012)	(21,012)
At 31 December 2021	1,015,699	1,048,140	2,063,839
Carrying amount			
At 31 December 2021	8,840,802	573,182	9,413,984
At 31 December 2020	8,924,673	413,598	9,338,271

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 (2020 - £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 2021 & 31 December 2021	-
Charity	
Cost or valuation	
At 1 January 2021 & 31 December 2021	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 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Carrying amount of financial assets				
Trade debtors	6,797	4,079	198	198
Other debtors	5,559	3,033	2,818	685
Amounts due from subsidiary undertakings	-	26,719	-	33,052
Bank and cash	2,485,312	2,457,748	2,329,541	2,250,558
Fixed asset investments	-	1	-	1
Measured at cost	2,497,668	2,491,580	2,332,557	2,284,494
Carrying amount of financial liabilities				
Trade creditors	53,480	48,285	26,178	19,916
Accruals	95,874	92,841	57,348	55,433
Bank loans	1,664,816	1,634,816	1,951,897	1,951,897
Measured at cost	1,814,170	1,775,942	2,035,423	2,027,246

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18	Stocks		2021 Group £	2021 Company £	2020 Group £	2020 Company £
	Finished goods and goods for resale		14,542	-	14,542	-
19	Debtors		2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
	Amounts falling due within one year:					
	Trade debtors		6,797	4,079	198	198
	Income tax recoverable		34,927	34,927	33,830	33,830
	Amounts due from subsidiary undertakings		-	26,719	-	33,052
	Other debtors		5,559	3,033	2,818	685
	Prepayments and accrued income		39,228	39,228	45,303	45,303
			86,511	107,986	82,149	113,068
	Deferred tax asset		8,893	-	-	-
			95,404	107,986	82,149	113,068
20	Creditors: amounts falling due within one year		2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
	Notes					
	Bank loans	22	319,419	313,419	307,797	307,797
	Other taxation and social security		39,217	39,217	32,147	32,147
	Deferred income		74,100	74,100	210,149	210,149
	Trade creditors		53,480	48,285	26,178	19,916
	Other creditors		37,100	27,834	58,067	22,546
	Accruals		95,874	92,841	57,348	55,433
			619,190	595,696	691,686	647,988
Deferred income is income received for Learning Communities that relates to the year ended 31 December 2022.						
21	Creditors: amounts falling due after more than one year		2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
	Notes					
	Bank loans	22	1,345,397	1,321,397	1,644,100	1,644,100

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

22 Loans and overdrafts

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Bank loans	1,664,816	1,634,816	1,951,897	1,951,897
Payable within one year	319,419	313,419	307,797	307,797
Payable after one year	1,345,397	1,321,397	1,644,100	1,644,100

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

23 Provision for liabilities

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Deferred taxation				
Balances:				
Tax losses	8,893	-	-	-
Movements in the year:				2021 £
Liability at 1 January 2021				-
Credit to profit or loss				(8,893)
Liability/(Asset) at 31 December 2021				(8,893)

The deferred tax asset set out above is expected to reverse within the foreseeable future and relates to the utilisation of tax losses against future expected profits of the same period.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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				
	Balance at 1 January 2020	Income	Expenditure	Transfers	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Building fund - Peterborough	-	113,717	(113,717)	-	-	109,989	(98,990)	(10,999)	-
Building fund - Cambridge	4,284	2,274	(6,268)	-	290	2,257	-	(226)	2,321
Mission fund	440,610	56,747	(213,006)	195,620	479,971	37,985	(243,075)	181,116	455,997
Body needs fund - Peterborough	-	6,450	(7,823)	20,000	18,627	-	(2,105)	-	16,522
Body needs fund - Cambridge	858	-	(300)	-	558	-	(135)	-	423
Foodbank fund	68,020	119,394	(27,360)	-	160,054	87,727	(33,529)	-	214,252
Sabbatical fund	1,854	-	812	-	2,666	-	(2,666)	-	-
PCAS grant	35,760	80,000	(37,208)	-	78,552	-	(26,112)	2,280	54,720
Together on purpose	-	-	-	-	-	279,231	-	(27,923)	251,308
Learning Community fund	12,290	165,650	(168,672)	-	9,268	230,457	(151,076)	-	88,649
2020 vision fund	108,247	254,882	(131,234)	(45,488)	186,407	65,950	(34,027)	(183,224)	35,106
Children's work	7,563	1,000	-	-	8,563	-	-	-	8,563
Parnwell Hub grant	1,188	18,772	(2,565)	-	17,395	13	(704)	-	16,704
Coronavirus support grant	-	29,927	(14,964)	-	14,963	31,392	(14,964)	-	31,391
Peterborough - Love Your Neighbour	-	18,502	(23,268)	27,752	22,986	47,742	(109,220)	38,492	-
Winter Support fund	-	10,193	(5,201)	-	4,992	40,579	(33,179)	(2,280)	10,112
Peterborough Care Zone - Cambridgeshire Community Foundation	-	5,000	(5,000)	-	-	-	-	-	-
Carried forward to next page	680,674	882,508	(755,774)	197,884	1,005,292	933,322	(749,782)	(2,764)	1,186,068

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Restricted funds

(Continued)

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Income	Expenditure	Transfers	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Brought forward	680,674	882,508	(755,774)	197,884	1,005,292	933,322	(749,782)	(2,764)	1,186,068
Food Pantry fund	-	-	-	-	-	1,165	-	-	1,165
Syrian and Afghan Refugees	-	-	-	-	-	10,347	(9,388)	-	959
Romanian Connect Group	-	-	-	-	-	500	(500)	-	-
Care Leavers Goods	-	-	-	-	-	25,000	(5,281)	-	19,719
Care Zone donations	-	-	-	-	-	5,800	-	-	5,800
	<u>680,674</u>	<u>882,508</u>	<u>(755,774)</u>	<u>197,884</u>	<u>1,005,292</u>	<u>976,134</u>	<u>(764,951)</u>	<u>(2,764)</u>	<u>1,213,711</u>

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.

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 Together on Purpose fund was an offering received in September 2021 to finance key areas of the Together on Purpose vision; Leadership Development, Media and Technology to support our online presence and community action initiatives.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Restricted funds

(Continued)

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 Parnwell Hub grant was a grant received from the City Council to run community development activities in Parnwell 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.

The Peterborough Care Zone - Cambridgeshire Community Foundation provided funding for Care Zone to purchase crockery and saucepan sets for people who had previously experienced homelessness and had been allocated housing.

Food Pantry - KingsGate is setting up a food pantry in Parnwell for families facing long term food insecurity.

Syrian and Afghan Refugee fund - Care Zone is working in partnership with other organisations to resettle refugees from Syrian and Afghanistan into the city. Peterborough City Council has provided funding to enable to Care Zone to increase its capacity to provide furniture for these families.

Romanian Connect Group fund was a grant from the local council to help with the COVID relief efforts within the Peterborough Romanian Community.

Care Leavers Goods Fund - Peterborough City Council provided funding for Care Zone to supply furniture and white goods to care leavers.

Care Zone Donations is a donation received from the Institute of Export to purchase items as needed by the Care Zone.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 at 1 January 2020	Expenditure	Transfers	Balance at 1 January 2021	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£
Interest in land and property	5,850,769	(83,871)	301,204	6,068,102	(83,871)	317,081	6,301,312
Interest in fixed assets	465,893	(138,826)	92,391	419,458	(194,915)	363,049	587,592
Fixed asset fund	-	-	12,316	12,316	-	-	12,316
	<u>6,316,662</u>	<u>(222,697)</u>	<u>405,911</u>	<u>6,499,876</u>	<u>(278,786)</u>	<u>680,130</u>	<u>6,901,220</u>

Charity

	Balance at 1 January 2020	Expenditure	Transfers	Balance at 1 January 2021	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£
Interest in land and property	6,755,443	(83,871)	301,204	6,972,776	(83,871)	317,081	7,205,986
Interest in fixed assets	455,780	(138,826)	96,644	413,598	(194,915)	354,499	573,182
Fixed asset fund	-	-	12,316	12,316	-	-	12,316
	<u>7,211,223</u>	<u>(222,697)</u>	<u>410,164</u>	<u>7,398,690</u>	<u>(278,786)</u>	<u>671,580</u>	<u>7,791,484</u>

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.

FOR THE YEAR ENDED 31 DECEMBER 2021

Group		Movement in funds				Movement in funds			
	Balance at 1 January 2020	Income	Expenditure	Transfers	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
General fund	798,375	3,166,652	(2,336,497)	(603,795)	1,024,735	2,768,049	(2,075,958)	(677,366)	1,039,460
	<u>798,375</u>	<u>3,166,652</u>	<u>(2,336,497)</u>	<u>(603,795)</u>	<u>1,024,735</u>	<u>2,768,049</u>	<u>(2,075,958)</u>	<u>(677,366)</u>	<u>1,039,460</u>
	<u><u>798,375</u></u>	<u><u>3,166,652</u></u>	<u><u>(2,336,497)</u></u>	<u><u>(603,795)</u></u>	<u><u>1,024,735</u></u>	<u><u>2,768,049</u></u>	<u><u>(2,075,958)</u></u>	<u><u>(677,366)</u></u>	<u><u>1,039,460</u></u>
Charity		Movement in funds				Movement in funds			
	Balance at 1 January 2020	Income	Expenditure	Transfers	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
General fund	777,874	2,876,026	(2,040,025)	(608,048)	1,005,827	2,653,372	(1,932,953)	(668,815)	1,057,431
	<u>777,874</u>	<u>2,876,026</u>	<u>(2,040,025)</u>	<u>(608,048)</u>	<u>1,005,827</u>	<u>2,653,372</u>	<u>(1,932,953)</u>	<u>(668,815)</u>	<u>1,057,431</u>
	<u><u>777,874</u></u>	<u><u>2,876,026</u></u>	<u><u>(2,040,025)</u></u>	<u><u>(608,048)</u></u>	<u><u>1,005,827</u></u>	<u><u>2,653,372</u></u>	<u><u>(1,932,953)</u></u>	<u><u>(668,815)</u></u>	<u><u>1,057,431</u></u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Analysis of net assets between funds

Group	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible assets	-	8,523,720	-	8,523,720	-	8,439,457	-	8,439,457
Current assets/(liabilities)	1,069,260	(301,103)	1,207,911	1,976,068	1,024,735	(295,481)	1,005,292	1,734,546
Long term liabilities	(24,000)	(1,321,397)	-	(1,345,397)	-	(1,644,100)	-	(1,644,100)
	<u>1,045,260</u>	<u>6,901,220</u>	<u>1,207,911</u>	<u>9,154,391</u>	<u>1,024,735</u>	<u>6,499,876</u>	<u>1,005,292</u>	<u>8,529,903</u>
Charity	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible assets	-	9,413,984	-	9,413,984	-	9,338,271	-	9,338,271
Investments	1	-	-	1	1	-	-	1
Current assets/(liabilities)	1,063,230	(301,103)	1,207,911	1,970,038	1,005,826	(295,481)	1,005,292	1,715,637
Long term liabilities	-	(1,321,397)	-	(1,321,397)	-	(1,644,100)	-	(1,644,100)
	<u>1,063,231</u>	<u>7,791,484</u>	<u>1,207,911</u>	<u>10,062,626</u>	<u>1,005,827</u>	<u>7,398,690</u>	<u>1,005,292</u>	<u>9,409,809</u>

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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:

	2021 £	2020 £
Within one year	79,515	55,817
Between two and five years	-	12,601
	<u>79,515</u>	<u>68,418</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 £515,386 (2020 - £553,125). The charity considers its key management personnel comprises of the members of the Multisite Strategy team.

Transactions with related parties

During the year management charges of £nil (2020 - £19,131) were charged to KingsGate Trading Limited, a subsidiary company. Wages costs are recharged between the Charity and its subsidiary, resulting in a net cost to the Charity of £11,224 (2020 - net income of £4,425). A gift aided donation of £nil (2020 - £3,485) was also received from KingsGate Trading Limited. Included within debtors is £26,719 (2020 - £33,052) due from KingsGate Trading Limited.

Donations of £61,122 (2020 - £91,305) were received during the year from six Trustees (2020 - six Trustees). No conditions were attached to these donations.

During the year the charity had an arrangement with a third party to create videos based on a book authored by D Smith, a trustee. Many churches and individuals benefitted from the videos, as did KingsGate. The creation of the videos promoted books sales and therefore may have impacted on royalties earned by D Smith, but it is not possible to quantify the effect. A proportion of royalties from the book earned by D Smith will be gifted back to the project and the church will receive an equal share of any surplus generated from video sales over and above costs incurred.

KINGSGATE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

31	Cash generated from operations	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
	Surplus for the year	624,488	652,817	734,192	740,039
	Adjustments for:				
	Gain on disposal of tangible fixed assets	(6,178)	(6,178)	(3,417)	(3,489)
	Depreciation of tangible fixed assets	283,591	278,786	226,878	222,697
	Movements in working capital:				
	Decrease in stocks	-	-	1,911	-
	(Increase)/decrease in debtors	(13,255)	5,082	57,852	174,087
	(Decrease) in creditors	(84,046)	(87,843)	(32,172)	(37,115)
	(Decrease) in provisions	-	-	(63)	-
	Cash generated from operations	804,600	842,664	985,181	1,096,219
32	Analysis of changes in net funds				
	Group	At 1 January 2021 £	Cash flows £	At 31 December 2021 £	
	Cash at bank and in hand	2,329,541	155,771	2,485,312	
	Loans falling due within one year	(307,797)	(11,622)	(319,419)	
	Loans falling due after more than one year	(1,644,100)	298,703	(1,345,397)	
		<u>377,644</u>	<u>442,852</u>	<u>820,496</u>	
	Charity	At 1 January 2021 £	Cash flows £	At 31 December 2021 £	
	Cash at bank and in hand	2,250,558	207,190	2,457,748	
		<u>2,250,558</u>	<u>207,190</u>	<u>2,457,748</u>	
	Loans falling due within one year	(307,797)	(5,622)	(313,419)	
	Loans falling due after more than one year	(1,644,100)	322,703	(1,321,397)	
		<u>298,661</u>	<u>524,271</u>	<u>822,932</u>	