KINGS CHURCH DARLINGTON

England & Wales · Charity number 1113455

Details

Status	Registered
Legal form	Charitable company
Company number	05670530
Registered	2006-03-28
Register	View on the Charity Commission register

Contact

Address	Prospect Place Whessoe Road Darlington County Durham DL3 0QT
Phone	01325469884
Email	admin@kingschurchdarlington.org
Website	www.kingschurchdarlington.org

Activities

Objects: 1. THE ADVANCEMENT OF THE CHRISTIAN FAITH IN ACCORDANCE WITH THE ARTICLES OF FAITH SET OUT IN ARTICLE 34;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 4. TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES OR FOR THE PUBLIC AT LARGE WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.

Activities: The charity exists to advance the Christian faith and also bring relief to persons in conditions of need, hardship or distress or who are aged or sick. Further objectives are the advancement of education on the basis of Christian principles, and to provide or assist in the provision of facilities in the interests of social welfare.

Downloaded from opencharities.uk/ew/1113455

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Religious Activities, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE DARLINGTON
- Darlington
- Durham

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£777,244	£791,263	£89,964	12
2023-12-31	£653,136	£803,287	£103,983	11
2022-12-31	£647,605	£676,652	£254,134	13
2021-12-31	£523,392	£663,010	£283,181	15
2020-12-31	£551,797	£599,552	£422,799	15

Trustees

Name	Role	Appointed
PAUL DAVISON	Chair	
ANNE COOLEY		2022-09-05
Iosif Onisifor Iancu		2026-03-01
Jennifer Salt		2022-09-05
MARK ANDREW SOWERBY		2021-04-18
Michael Anthony Coltman		2021-03-22
Phillip James Hillsdon		2025-09-21
Rev John Connolly Lambert		2023-11-26

Downloaded from opencharities.uk/ew/1113455

KINGS CHURCH DARLINGTON

England & Wales - Charity number 1113455

Accounts

King's Church Darlington
(A company limited by guarantee)

Report and Financial Statements
For the Year ended 31 December 2024

Company Registration Number: 5670530
Charity Number: 1113455

King's Church Darlington

Financial Statements for the Year ended 31 December 2024

Contents

	Page
Reference and Administrative Information	2
Directors Report	3-9
Independent Examiner's Report to the Members	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flows	13
Notes forming part of the Financial Statements	14-27

King's Church Darlington

Reference and Administrative Information

Charity name:	King's Church Darlington
Company registration number:	5670530
Charity registration number:	1113455
Registered Office and operational address:	The King's Centre Prospect Place Whessoe Road Darlington Co Durham DL3 0QT

Directors and Trustees of the Charity

Mr M Coltman	
Mrs A Cooley	
Mr RP Davison	Chair
Mr JC Lambert	
Mrs J Salt	
Mr MA Sowerby	
Mr PJ Hillsdon (appointed 21st September 2025)	

Leadership Team

Mr M Coltman	Lead Elder
Mrs J Coltman	
Mr RP Davison	Elder (resigned 10th November 2024)
Mrs M Davison	
Mr C Cooley	
Mrs A Cooley	
Mr PJ Hillsdon	Elder (appointed 18th May 2025)
Mrs S Hillsdon	
Mr JC Lambert	Elder
Mrs K Lambert	

Company Secretary	Mrs S Iancu
Independent Examiner	AbacusBean Limited, Level Q Offices, Surtees Business Park, Stockton-on-Tees TS18 3HR
Bankers	Unity Trust Bank, Nine Brindley Place, Birmingham B1 2HB
Solicitors	Close Thornton, 2 Duke Street, Darlington DL3 7AB

King's Church Darlington
Directors' Report for the Year ended 31 December 2024

The Directors of the charitable company are its Trustees for the purpose of charity law, and throughout the report are collectively referred to as the Trustees.

The Trustees present their report, together with the independently examined financial statements for the year ended 31 December 2024.

The Trustees confirm that the report and financial statements of the charity 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 (FRS102) (effective 1 January 2019)".

Structure, Governance and Management

Governing Document

King's Church Darlington is a company limited by guarantee and registered with the Charity Commission (No.1113455). The company was incorporated on 10 January 2006 and its governing document is the Memorandum and Articles of Association dated 24 November 2005.

Recruitment and Appointment of Board of Trustees

The Church Elders, who are responsible for the day to day running of the Church, appoint the Trustees. The Board of Trustees serving during 2024 were:

Mr M Coltman - Michael has been involved in church leadership for over 15 years, as a youth leader and, for the last 6 years, on the Eldership of a church. Michael was previously leading a church in Ontario Canada before taking the lead elder role at King's Church 2021. Prior to church employment Michael was working in Quality Assurance for EE. He is also a qualified counsellor.

Mrs A Cooley - Anne has been attending Kings Church since 2015 and has been involved with the children's work, part of the team working with the ladies of the church, and is one of the organisers of the annual Kings Christmas Craft Market. Along with her husband, she has taken out teams to Uganda from all over the UK, including from Kings Church. She is also a founder trustee of a charity working into Uganda. Anne was a school senior leader and teacher of 40 years' experience and also worked in Teacher Training with York St John University.

Mr RP Davison – Paul was the Deputy Director for Health Protection North East for Public Health England until his retirement in October 2019. He now has a national role working on environmental public health, sustainability and climate change. He became an elder in June 2009 and his responsibilities at King's Church include leading a worship band and preaching/teaching. Paul is Chair of Trustees.

Mr PJ Hillsdon – Phil started in the building industry as a carpenter and joiner where he ran his own construction business with his brother employing 40 people. Already involved in church leadership he attended Bible College in 1996 and moved to Teesside in 1999 to lead the Oakwood Centre. Phil served in employment as the Main Leader with King's Church between September 2008 and September 2021. During 2024 he returned to the Eldership team as an unpaid Elder.

Mr JC Lambert - John has been involved in mission and church leadership since 1990, both in Paris, France, and in the north east of England. John and his wife, Kathie, who is a hospice nurse, have four grown up children, who now live in three different countries. John likes learning languages, music, running and reading. He is a former Church of England minister and has been an elder at King's Church Darlington since November 2023.

Structure, Governance and Management (continued)

Mrs J Salt - Jenny has been involved at King's Church since 1998. During her time at King's Church, she has served as a Children's group leader and in the worship band. She has worked as a primary school teacher for almost 10 years and leads the music curriculum at her school.

Mr MA Sowerby – Mark has been a member of the Church, and its former Charity since 1993 and has held positions as the Church Accountant and Trustee during that period. He is a Chartered Accountant and works as Group Finance Director in an international Construction Consultancy.

Trustee Induction and Training

Most Trustees have previously served in positions of responsibility within churches and Charities. All are familiar with the working of King's Church Darlington, being Church members and holding various positions of responsibility. All Trustees have received a copy of the Memorandum and Articles and are familiar with their contents. M. Sowerby has served as a Director of companies in his professional life and is familiar with the workings of companies and reporting requirements. Trustees make use of Charity commission website to maintain their knowledge of current developments.

Risk Management

The company inherited a valid Risk Assessment from the former Charity. Following the relocation of the Church into the King's Centre in June 2006 a review of risks associated with the property was performed and the Risk Register updated. We were fortunate to be assisted by a Church member whose professional life is very much concerned with carrying out risk assessments for large organisations. A formal review of the risk register is performed on an annual basis.

The Church is also advised by a local Insurance Broker who specialises in church matters and who has been able to visit and discuss our changing needs. This has proved invaluable and has enhanced our risk management process.

Organisational Structure

The Trustees hold quarterly Board meetings. Outside of the Board Meetings a number of sub-committees exist to ensure the smooth running of the Church. These committees are chaired by members of the Board and include other members of the Church where appropriate skills are available. The key committees are:

Remuneration Committee – To review all aspects of employee terms and conditions and make recommendations to the Board for approval. Paid members of the Board are not permitted to vote on issues relating to their own remuneration. It is chaired by RP Davison and also includes M Sowerby. The Trustees receive no benefits from the Church in their capacity as Trustees and give their time voluntarily. Details of Trustee remuneration and expenses in relation to services as Elders is disclosed in note 9 to the financial statements.

Finance Committee - The finance committee meets, as required, in the two months between board meetings. The group comprises, M Coltman, M Sowerby, JC Lambert and RP Davison, and monitors the day to day finances of the Church, dealing with financial matters arising between Board Meetings.

Related Parties

The Church is a member of the Evangelical Alliance and is affiliated to a worldwide network of churches known as Newfrontiers.

Objectives and Activities

The charity exists to advance the Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick. Further objectives are the advancement of education on the basis of Christian principles, and to provide or assist in the provision of facilities in the interests of social welfare.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The strategies employed to further our charitable purposes for the public benefit are:

- Sunday worship and other meetings, such as prayer meetings, worship nights, and Christmas and Easter events. These are held at the King's Centre, Darlington, which continues to provide an active and well-known base in an area of the town in need of social regeneration.
- We have a growing network of midweek Life Groups. They meet in various homes and at the King's Centre, providing an environment for church members to grow in their faith and reach out to the wider community.
- On Sunday afternoons, we offer a discipleship course to help church members gain a deeper theological understanding of their faith. We also have an outreach course for anyone in Darlington and the surrounding areas interested in learning about Christian beliefs.
- We support church plants in Cambodia, Sweden, Germany, and Romania that are part of the Christ Central network of churches. This includes the work of Devoted to Cambodia, which teaches English to children living at the Siem Reap city dump.
- The church operates two community youth groups on Monday and Wednesday evenings and also attends summer youth camps.
- The King's Centre hosts several weekly community groups. These include Pilates classes, a ukulele group, and a baby and toddler group. We also run 'Care and Share,' a group dedicated to supporting those who struggle with mental health and loneliness.
- The King's Café is open to the public, Monday to Friday.
- The church runs a furniture recycling scheme. We receive or collect donated furniture, renovate and store it, and then deliver it to customers.

Achievements and Performance

As a church, we are encouraged to see continued growth in attendance and membership. We've seen an increase in those attending Sunday morning meetings and our youth and children's programmes, with our congregation becoming younger and attracting more families. We have also seen increased demand for our free Monday night youth group, which we offer to both our church members and the wider community.

Achievements and Performance (continued)

Demand for our food bank services continues to increase each year. We run this service alongside Taste and See, an outreach program that provides an introduction to the Christian faith and a hot meal for all who attend.

This past year, we have had the privilege of supporting church plants around the world in Gothenburg, Sweden; Chemnitz, Germany; and Siem Reap, Cambodia. We also continue to partner with the work of Transform Asia, which operates an orphanage in Anlong Veng, Cambodia.

Across all our initiatives—whether it's the furniture scheme, café, or food bank—we are pleased to offer ample opportunities for community members and groups to volunteer at the centre. We welcome and encourage anyone to support our work, regardless of whether they consider themselves part of the church.

In the year, we had the opportunity to host the Christ Central international conference at the centre and this proved to be a great success.

Financial Review

The results show a net expenditure of £14k compared to £150k in 2023. Unrestricted funds represent £118k of this year-on-year variance with restricted funds the balancing £18k. Net expenditure on unrestricted funds was £7k. The result is after bearing depreciation of £65k such that Unrestricted Earnings before Interest, Tax and Depreciation are £75k.

Unrestricted income increased by £88k to £642k with trading activities up by £15k, largely in the Furniture Scheme, and gifts and donations up by £67k. We remain grateful to Church members who continue to donate through uncertain economic times.

Unrestricted costs reduced by £31k to £648k. This was driven by a £57k drop in premises costs, of which £36k relates to depreciation of leasehold improvements and £18k to lower energy costs. Salary costs were up by £13k, which was largely inflation, and furniture costs by £12k, due to the higher volume. We continued to adopt a very prudent approach to discretionary expenditure.

Restricted income increased by £36k on 2023 levels to £135k, with a £43k grant received to improve the energy efficiency of the premises with the focus being on the heating system. Restricted expenditure was £19k above that incurred in 2023 primarily due to costs expended against Foodbank grants received in previous periods and use of the aforementioned energy efficiency grant. £51k of funds were transferred from restricted funds to unrestricted funds representing capitalisation of assets purchased from restricted funds, the initial purpose of the grant having been achieved.

Closing unrestricted funds were £80k, however this figure includes fixed assets of £246k of which £219k relates to the King's Centre and the related building improvements. The Church has a finance lease liability of £236k, essentially secured against the building. Net current assets, therefore, represent a fairer picture of the day to day health of the Church finances and availability of funds. Unrestricted net current assets are £37k which is up from £16k in 2023.

Closing restricted funds, all held in cash, were £10k and largely comprise unspent grant income.

Financial Review (cont.)

Key Activities

Outside of normal meetings and activities the Church is investing in four initiatives: the Furniture Scheme, the Café, King's Sports and the Foodbank. The table below summarises the running costs of these activities and how these costs have been funded:

	Furniture Scheme £'000	Café £'000	King's Sports £'000	Foodbank £'000
Costs:				
Salary Costs	61	42	-	107
Other Direct Costs	151	22	-	20
Allocated Overheads	35	12	1	14
	247	**76**	**1**	**141**
Funded by:				
Voluntary Gifts	-	-	-	64
Benefits in Kind	122	-	-	-
Grant income	-	-	-	15
Trading Income	126	66	3	-
Church Funds	(1)	10	(2)	4
Restricted Funds	-	-	-	58
	247	**76**	**1**	**141**

Allocated overheads represent a share of accommodation costs, based upon space usage and other overhead as relevant. Voluntary gifts are amounts received for the specific activity. Church Funds represents the shortfall in funding from sources of income specific to the activity and is therefore the amount required to be funded from unrestricted Church funds.

Outlook

Generally speaking, the outlook for 2025 remains positive with income levels relatively robust and expenditure under control. We continue to be well supported by a mixture of committed employees and volunteers and we remain vigilant to changes in income and cost levels.

However, through 2024 and early 2025 we have seen the volume of available funding for our foodbank reduce. As such we have taken the decision to streamline our operation, which is now run by a single staff member and a team of volunteers. The food bank is now a referral-only service, ensuring our food parcels reach those most in need in Darlington.

Principal Funding Sources

The main source of income to the Church is through gifts and donations received from Church members. We are also able to sublet some offices at the Church premises. Incidental income is received through reimbursement for some specific, and more costly Church events. Major capital projects are usually funded from gift days and grants.

Investment Policy

The Church aims to hold minimal levels of cash reserves and thus surplus funds are retained in higher interest deposit accounts.

Financial Review (cont.)

Reserves Policy

The Church Trustees have established a policy of ensuring that the Charity retains a minimum level of cash equivalent to between 2 and 3 months normal expenditure. At 31 December 2024 this target was estimated at between £60k and £80k. Closing unrestricted cash funds at December 2024 were £98k, although this benefitted from abnormally higher trade creditors at the year-end such that a more normalised position is closer to £70k.

Plans for Future Periods

The last twelve months has continued to be a time of encouragement, as the church continues to grow in attendance and membership.

Our focus on the year ahead is to 'Love God, Love Others and Make Disciples' by:

- Continuing to see growth and sustainability in all of the projects mentioned above.
- To grow the outreach of our youth work and see growth in attendance to all our youth and children's work. Running a Bible focused kids club during the summer holidays.
- Use of our facilities to provide groups and services to care for the community around us.
- Raising the finance to accomplish this with the desire of gifting money to worthwhile causes in both the U.K. and Overseas.
- To continue to support Christ Central church plants, including Gothenburg (Sweden), Chemnitz (Germany), Siem Reap (Cambodia), and a new church plant in Romania.
- To preach the good news of Jesus, through programmes like the Alpha course, and see people join the church family.

King's Church Darlington
Directors' Report for the Year ended 31 December 2024

Trustees' responsibilities statement

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

Company and charity 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

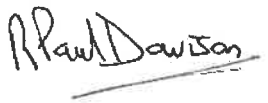
Statement of disclosure to Independent Examiner

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 26th September 2025 and is signed on their behalf by:



.....
Mr RP Davison
Chair of Trustee

King's Church Darlington
Independent Examiner's report to the trustees of King's Church Darlington

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2024 which are set out on pages 11 to 27.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of *ICAEW* which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Beverley Goodall BA BFP FCA
AbacusBean Limited
Level Q Offices
Surtees Business Park
Stockton-on-Tees
TS18 3HR

Date: 26th September 2025

King's Church Darlington
Statement of Financial Activities (including Income & Expenditure Account) for the Year ended 31 December 2024

	Notes	Year ended 31 December 2024 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2023 £
Income and endowments from:					
Donation and legacies	2	418,821	135,454	554,275	442,261
Rental income	3	11,496	-	11,496	12,700
Investment income	4	2,805	-	2,805	3,691
Charitable activities					
Church events	5	208,668	-	208,668	194,484
Total income and endowments		641,790	135,454	777,244	653,136
Expenditure on:					
Raising funds	6	3,447		3,447	3,410
Costs of generating rental income	6	5,792	-	5,792	7,567
Charitable activities	6	634,909	142,964	777,873	786,550
Governance costs	6	4,151	-	4,151	5,760
Total expenditure		648,299	142,964	791,263	803,287
Net (expenditure)/income	7	(6,509)	(7,510)	(14,019)	(150,151)
Transfer between funds		50,637	(50,637)	-	-
Net movement in funds		44,128	(58,147)	(14,019)	(150,151)
Reconciliation of funds					
Funds brought forward		35,487	68,496	103,983	254,134
Total funds carried forward		79,615	10,349	89,964	103,983

The notes on pages 14 to 27 form part of the financial statements.

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.

King's Church Darlington
Balance Sheet as at 31 December 2024

	Notes	31 December 2024 £	£	31 December 2023 £	£
Tangible Fixed Assets	12		245,580		254,825
Current Assets					
Debtors	13	34,961		14,113	
Cash at bank and in hand		108,519		126,442	
		143,480		140,555	
Creditors: amounts falling due within one year	14	(96,567)		(56,147)	
Net Current Assets			46,913		84,408
Total Assets less Current liabilities			292,493		339,233
Creditors: amounts falling due after one year	15		(202,529)		(235,250)
Net Assets			89,964		103,983
Charity Funds					
Unrestricted funds	17		79,615		35,487
Restricted funds	17		10,349		68,496
Total Funds			89,964		103,983

The notes on pages 14 to 27 form part of the financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 26th September 2025 and signed on their behalf by:

.....

Mr MA Sowerby
Trustee
Company Registration number: 5670530 **Charity registration number:** 1113455

King's Church Darlington
Cash Flow Statement for the Year ended 31 December 2024

	Notes	Year ended 31 December 2024 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2023 £
Net cash provided by/(used in) operating activities:	20	140,309	(58,147)	82,162	(34,675)
Cash flows from other sources:					
Proceeds from sale of fixed assets		-	-	-	-
Application of cash:					
Purchase of fixed assets		(55,800)	-	(55,800)	(20,702)
Sale of fixed assets		215	-	215	2,419
Payment of interest on borrowing		(13,663)	-	(13,663)	(15,548)
Repayment of borrowing		(30,837)	-	(30,837)	(28,953)
Net increase/(decrease) in cash:		40,224	(58,147)	(17,923)	(97,459)
Cash at the beginning of the year		57,946	68,496	126,442	223,901
Cash at the end of the year		98,170	10,349	108,519	126,442

The notes on pages 14 to 27 form part of the financial statements.

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding financial year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with 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 (FRS102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Church.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

When the restrictions placed on restricted funds have been removed, a transfer is made from restricted funds to unrestricted funds.

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to the particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Church, are recognised when the charity becomes unconditionally entitled to the grant.

- Donated services and facilities are included at the value to the Church where this can be quantified. The value of services provided by volunteers has not been included in these financial statements. The value of food and furniture received and subsequently donated have not been included in these financial statements.

- Rental income is accounted for when it becomes receivable.

- Investment income is included when receivable.

1. Accounting policies (cont.)

(d) Incoming resources (cont.)

- Incoming resources for charitable trading activity are accounted for when they are earned.

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Church earns the right to consideration by its performance.

- For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. Where legacies have been notified to the charity however it is not possible to measure the amount expected to be distributed, the legacy is treated as a contingent asset and disclosed.

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of generating rental income.

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

- Governance costs include the costs associated with meeting constitutional and statutory requirements of the Church and include the independent examiner fees and costs linked to the strategic management of the Church.

- All costs are allocated between the expenditure categories of the Statement of Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated building usage or estimated time committed as set out in note 6.

- Grants payable are accounted for when paid. Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off each asset over their expected useful life:

Music and sound systems	-	25% reducing balance.
Office furniture and equipment	-	25% reducing balance.
Computer equipment	-	50% reducing balance.
Motor vehicles	-	25% reducing balance.
Leasehold improvements	-	10 years straight line from completion.
Property	-	straight line over the term of the lease.

Assets costing less than £250 are not capitalised.

1. Accounting policies (cont.)

(f) Fixed assets (cont.)

Depreciation is not provided on assets under construction until the asset is completed. After completion, periodic impairment reviews of the leasehold improvements will be performed.

(g) Gifts in kind

The value of gifts in kind is recognised as income within the financial statements at the point at which the Church is deemed to realise a benefit for the gift. Such income is valued at the estimated market value of the benefit where this can be quantified.

(h) Leases

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(i) Format of financial statements

The trustees have adapted the formats for financial statements set out in The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, to suit the nature of the company's activities. This format remains consistent with SORP (FRS102).

(j) Critical accounting policies

The accounting policies which have the most material impact on the financial statements of the charity relate to fund accounting and treatment of fixed assets. In particular:

- The Church has acquired a property under a long-term lease. See notes 1 (f) and 17. This has the effect of introducing a material asset and loan into the balance sheet.
- The Church has expended significant funds in developing the property. These leasehold improvements are being depreciated over a 10-year period as per note 1(f).
- Details of restricted funds operated by the Church can be found at note 17.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income or expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting policies (cont.)

(l) Exceptions to SORP (FRS102)

The nature of the charity means that Church members will regularly provide the church with their services on a voluntary basis. Examples of the contribution made by volunteers include organisation of events and meetings, and support to the café, food bank, sports facilities and furniture scheme to augment the work of paid employees. As per note 1 (d), these services have not been valued and included as income as the trustees believe that it is impossible to quantify the value of these services and that the inclusion of such an estimate would not add to the understanding of the financial performance of the charity.

The Church operates a Furniture recycling scheme which receives donated second-hand furniture. The furniture is then sold to the community at a nominal fee intended to cover operating costs only. Valuation of the donated goods is not possible and so the Church recognises the gift income and associated cost at the same value as the income actually received when sold. Whilst the Church holds a level of stock at a given time the trustees have chosen not to include the value of the stock in its balance sheet on the basis that it is not possible to value the stock until it has been sold and on the basis that the value is not material to the understanding of the financial statements.

The Church operates a food bank which receives donated food. The food is then gifted to the community for no fee. The donated food is high volume and low value which makes it impractical to value and so the Church does not recognise gift income, the associated cost or stock.

2 Income from donations and legacies

	Year ended 31 December 2024			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2023
	£	£	£	£
Gifts and donations	292,534	64,087	356,621	306,444
Grants (see note 17)	4,166	71,367	75,533	17,680
Gifts in kind	122,121	-	122,121	118,137
	418,821	135,454	554,275	442,261
Year ended 31 December 2023	343,371	98,890	442,261	

Restricted income represents income gifted for the purposes to support the work of the Foodbank, and grants to support the work of the activities undertaken at the King's Centre notably the Foodbank and the Furniture Scheme.

The £4,167 of unrestricted grant income was a grant received from a charitable organisation towards the general running of the King's Centre.

Gifts in kind represent the value of donated furniture that was sold during the year.

3 Rental income

	Year ended 31 December 2024			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2023
	£	£	£	£
Letting of office facilities	11,496	-	11,496	12,700
	11,496	-	11,496	12,700
Year ended 31 December 2023	12,700	-	12,700	

4 Investment income

	Year ended 31 December 2024			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2023
	£	£	£	£
Bank interest receivable	2,805	-	2,805	3,691
	2,805	-	2,805	3,691
Year ended 31 December 2023	3,691	-	3,691	

5 Income from charitable activities – church events

	Year ended 31 December 2024			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2023
Reimbursements for:	£	£	£	£
Youth Activities	645	-	645	174
Events and Training	11,628	-	11,628	8,649
Furniture Scheme	126,493	-	126,493	119,540
Café Income	65,781	-	65,781	62,446
King's Sports	3,290	-	3,290	3,220
Other Income	831	-	831	455
	208,668	-	208,668	194,484
Year ended 31 December 2023	194,484	-	194,484	

6 Total expenditure

		Year ended 31 December 2024						
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total	Year ended 31 December 2023
		£	£	£	£	£	£	£
Church Meetings	Direct	-	-	7,461	-	-	7,461	8,935
External Events	Direct	-	-	641	-	-	641	200
Evangelism & Training	Direct	-	-	3,436	-	1,367	4,803	985
Youth/Children's Work	Direct	-	-	12,246	-	-	12,246	9,279
Grants to Organisations	Direct	-	-	26,644	-	-	26,644	32,576
Grants to Individuals	Direct	-	-	1,533	-	-	1,533	3,748
Independent Examiners Fees	Direct	-	-	-	704	-	704	2,350
Furniture Recycled	Direct	-	-	148,007	-	3,076	151,083	138,437
Café	Direct	-	-	22,397	-	252	22,649	23,073
Foodbank	Direct	-	-	79	-	19,736	19,815	24,474
King's Sports	Direct	-	-	-	-	-		
		-	-	222,444	704	24,431	247,459	244,057
Staff Costs	Time	2,942	1,471	256,942	2,942	106,889	371,186	339,450
Premises Costs	Usage	-	3,659	118,283	-	11,464	133,406	179,898
Administration Costs	Time	505	252	23,987	505	180	25,429	24,334
Interest on Finance Lease	Usage	-	410	13,253	-	-	13,663	15,548
		3,447	5,792	634,909	4,151	142,964	791,263	803,287
Year ended 31 December 2023		3,410	7,567	662,098	5,760	124,452	803,287	

Elder and Administrators Staff Costs and Administration Costs have been allocated on the basis of an estimate of time spent by the Elders, Administrator, Furniture Scheme Manager, Foodbank Staff, and Café Manager. Premises costs and the interest on the loan to fund the building purchase have been allocated on the basis of usage of the building. Premises costs include depreciation of Building Improvements of £35,852 (2023: £71,330) and £20,000 for Property (2023: £20,000). The balance of depreciation costs of £8,619 (2023: £8,032) is within administrative costs.

6 Total expenditure (cont.)

		Year Ended 31 December 2023					
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total
		£	£	£	£	£	£
Church Meetings	Direct	-	-	8,671	-	264	8,935
External Events	Direct	-	-	200	-	-	200
Evangelism & Training	Direct	-	-	985	-	-	985
Youth/Children's Work	Direct	-	-	9,279	-	-	9,279
Grants to Organisations	Direct	-	-	25,083	-	7,493	32,576
Grants to Individuals	Direct	-	-	2,248	-	1,500	3,748
Independent Examiners Fees	Direct	-	-	-	2,350	-	2,350
Furniture Recycled	Direct	-	-	136,468	-	1,969	138,437
Café	Direct	-	-	22,381	-	692	23,073
Foodbank	Direct	-	-	-	-	24,474	24,474
King's Sports	Direct	-	-	-	-	-	-
		-	-	205,315	2,350	36,392	244,057
Staff Costs	Time	2,923	1,461	244,083	2,923	88,060	339,450
Premises Costs	Usage	-	5,397	174,501	-	-	179,898
Administration Costs	Time	487	243	23,117	487	-	24,334
Interest on Finance Lease	Usage	-	466	15,082	-	-	15,548
		3,410	7,567	662,098	5,760	124,452	803,287

7 Net incoming resources

Net incoming resources are stated after charging:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Depreciation	64,471	99,362
Independent Examiners Fees	704	2,350

8 Staff costs

Staff costs were as follows:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Salaries and wages	327,725	303,035
Social security costs	22,544	18,941
Pension costs	23,274	20,337
	373,543	342,313

No employee earned emoluments of more than £60,000 in a year (2023: none). The Church operates a defined contribution pension scheme which requires the Church to make contributions of 8%, provided that the employees match the 8% contributions. The contributions made by the Church for the year were £23,274 (2023: £20,337). Total termination payments amount to £Nil (2023: £9,000) and relate to settlement agreements for employments terminated in the current year. No amounts are outstanding at the year end (2023: £Nil).

The average number of employees during the year, calculated on the basis of full-time equivalents was as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Church Elder	1.6	1.8
Church Administrator	0.8	0.7
Youth Worker	1.0	1.0
Furniture Scheme Worker	2.9	2.2
Café Worker	1.6	1.6
Cleaner	0.5	0.6
Foodbank Staff	4.0	3.5
	12.4	11.4

9 Trustees remuneration and related party transactions

There were two trustees who received remuneration in the year (2023: three) for their services as Elders, as permitted by the Memorandum and Articles of Association. These were the only key management person who received remuneration in the current or previous year. Total emoluments were £79,473 (2023: £96,223), including pension contributions of £5,887 (2023: £6,151).

The highest paid trustee, Mike Coltman, received emoluments in the year of £53,203 (2023: £50,875) including pension contributions of £3,941 (2023: £3,626).

The trustees mentioned above were reimbursed for expenses totalling £1,606 (2023: £2,657). These expenses were incurred performing their duties as Elders, and mainly comprised travelling, hospitality and telephone costs.

No other Director or other person related to the management of the Church had any personal interest in any contract or transaction entered into by the Charity during the year.

10 Grants made by the Charity

In the year, the Church made charitable grants from unrestricted funds of £28,177 (2023: £27,311) which comprised £26,644 to organisations (2023: £25,083) and £1,533 to individuals (2023: £2,248). The largest gifts were £6,000 towards the works of Christ Central, being the organisation which co-ordinates the subgroup of NewFrontiers to which the Church is affiliated and gifts of £6,780 to Gud Forst Christcentral, a Newfrontiers church plant in Sweden, and £6,664 to Centrul Crestin Brasov, a Newfrontiers church in Romania.

In all cases gifts were made to further the aims of the charity being to further Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick.

11 Taxation

As a charity, King's Church Darlington is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12 Tangible fixed assets

	Music & Sound System	Office Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Property	Total
	£	£	£	£	£	£
Cost						
At 1 January 2024	55,864	77,138	43,129	1,128,229	500,000	1,804,360
Additions	-	5,144	-	50,656	-	55,800
Disposals	(1,301)	(1,658)	-	(695)	-	(3,654)
At 31 December 2024	54,563	80,624	43,129	1,178,190	500,000	1,856,506
Depreciation						
At 1 January 2024	51,140	67,161	27,808	1,048,426	355,000	1,549,535
Charge for the year	1,179	3,610	3,830	35,852	20,000	64,471
Disposals	(1,290)	(1,489)	-	(301)	-	(3,080)
At 31 December 2024	51,029	69,282	31,638	1,083,977	375,000	1,610,926
Net Book Value						
At 31 December 2024	**3,534**	**11,342**	**11,491**	**94,213**	**125,000**	**245,580**
At 31 December 2023	4,724	9,977	15,321	79,803	145,000	254,825

The net book value of assets held under finance lease amounted to £125,000 (2023: £145,000).

13 Debtors

	31 December 2024	31 December 2023
	£	£
Other debtors	26,724	6,614
Prepayments	8,237	7,499
	34,961	14,113

14 Creditors: Amounts falling due within one year

	31 December 2024	31 December 2023
	£	£
Trade creditors	41,076	8,629
Taxation and social security	9,091	8,587
Accruals	13,679	8,094
Finance lease	32,721	30,837
	96,567	56,147

Amounts owed under finance lease are secured by the assets to which they relate.

15 Creditors: amounts falling due after one year

	31 December 2024 £	31 December 2023 £
Finance lease	202,529	235,250

On 18th January 2007, the company entered an arrangement to purchase a property. The terms of the arrangement were to pay monthly instalments of £3,708 over a 25-year period, at which point the company has the option to purchase the freehold for a nominal amount. The agreement was backdated to 1 April 2006.

Amounts owed under finance lease are secured by the assets to which they relate.

16 Analysis of net assets between funds

Year ended 31 December 2024

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	245,580	-	245,580
Current assets	130,131	10,349	143,480
Current liabilities	(96,567)	-	(96,567)
Long-term liabilities	(202,529)	-	(202,529)
Net assets at 31 December 2024	79,615	10,349	89,964

Year ended 31 December 2023

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	254,825	-	254,825
Current assets	72,059	68,496	140,555
Current liabilities	(56,147)	-	(56,147)
Long-term liabilities	(235,250)	-	(235,250)
Net assets at 31 December 2023	35,487	68,496	103,983

17 Movement in funds

Year ended 31 December 2024

	Unrestricted Funds - General Funds	Restricted Funds - Foodbank	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2023	141,906	61,268	2,034	48,926	254,134
Incoming Resources	554,246	81,335	-	17,555	653,136
Outgoing Resources	(678,835)	(83,403)	(1,500)	(39,549)	(803,287)
Transfer between funds	18,170	-	-	(18,170)	-
As at 1 January 2024	35,487	59,200	534	8,762	103,983
Incoming Resources	641,790	64,087	-	71,367	777,244
Outgoing Resources	(648,299)	(123,287)	-	(19,677)	(791,263)
Transfer between funds	50,637	-	-	(50,637)	-
As at 31 December 2024	79,615	-	534	9,815	89,964

Purpose of the Foodbank Fund (formerly Gift Day Fund)

This fund is built up from donations to support the activities of the Foodbank.

At 1 January 2024 the brought forward fund was £59,200. Further gifts of £64,087 were received in the year. Expenditure was £123,287 such that closing funds were £nil.

Pastoral Help Fund

This fund is available to meet the needs of those in financial difficulties. A balance of £534 was brought forward. There was no movement in the year.

Grant Income

Foodbank: A brought forward grant to support clients of the Foodbank who were in need of £6 was added to by a further £3,000 grant in the year. All £3,006 of funds were expended in the year. Grants of 4,000 towards salary costs, £4,000 towards food costs and £1,000 towards the running of vehicles were received in the year. Only £3,000 for food costs remained unspent at the end of the year. A grant of £1,088 for the establishment and upkeep of a food bank garden facility was brought forward. A further £121 of grant income was received in the year and £1,115 spent, leaving a closing fund of £54.

17 Movement in funds (cont.)

Grant Income (cont)

Furniture Scheme: The Church holds grant funding designated to fund the running and replacement costs of a Furniture Recycling Scheme van. The opening balance was £2,451. An additional £148 was received in the year and £2,450 was spent on maintenance costs, leaving a closing balance of £149. An unspent grant of £326 towards establishment of workshops was brought forward. This was expended in the year.

Other: A number of other grants were utilised as follows. £950 towards the funding of a Soup Kitchen was brought forward of which £199 was expended in the year leaving a closing balance of £751. £139 to fund equipment for King's Sports was brought forward and remained unspent at the year end. An unspent grant to replace the floor in one of the halls in the King's Centre of £941 was brought forward and utilised in the year. This expenditure was capitalised and transferred to unrestricted funds. Grants of £1,368 towards the support of overseas mission work was brought forward. A further £1,020 was received and £1,367 was spent, leaving a closing balance of £1,030. Grants of £1,262 to support the work of Soul Hope Uganda were brought forward and remained unspent at the year end. £A brought forward grant of £21 to allow the purchase of books was brought forward and remained unspent at the year end. Brought forward grants funds of £210 towards the funding of new furniture for the café was fully utilised in the year.

A number of grant funds were received in the year to improve the King's Centre. Funding to improve energy efficiency of £42,552, to replace a boiler of £1,700, to improve the wi-fi capacity of £1,492, and to improve kitchen equipment of £2,000 were all received and spent in the year. A further grant of £3,725 for centre equipment was largely spent with £109 carried forward, and a grant of £3,300 to procure IT equipment remained unspent at the year end. In total £49,696 of this expenditure was capitalised and the associated assets transferred to unrestricted funds, the terms of the grant funding having been fully met.

Year ended 31 December 2023

	Unrestricted Funds - General Funds	Restricted Funds - Gift Day Fund	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2022	223,936	39,545	2,834	16,866	283,181
Incoming Resources	515,120	78,528	-	53,957	647,605
Outgoing Resources	(599,370)	(56,805)	(800)	(19,677)	(676,652)
Transfer between funds	2,220	-	-	(2,220)	-
As at 1 January 2023	141,906	61,268	2,034	48,926	254,134
Incoming Resources	554,246	81,335	-	17,555	653,136
Outgoing Resources	(678,835)	(83,403)	(1,500)	(39,549)	(803,287)
Transfer between funds	18,170	-	-	(18,170)	-
As at 31 December 2023	35,487	59,200	534	8,762	103,983

18 Leases

a) Finance leases - lessee

The only finance lease relates to the purchase of Land and Buildings. The terms of the lease require quarterly instalments of £11,125 to be paid over a 25-year period commencing on 1 April 2006. The building has been valued at £500,000 and interest of £612,500 has been allocated on a sum of digits basis. The capital payment of the lease is due:

	31 December 2024	31 December 2023
	£	£
Within 1 Year	32,721	30,837
Within 2 to 5 Years	149,731	142,192
After 5 Years	52,798	93,058
	235,250	266,087

b) Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Payable	31 December 2024	31 December 2023
	£	£
Not later than one year	682	682
Later than one and not later than five years	1,877	2,559
Later than five years	-	-
	2,559	3,241

19 Share capital

The company does not have a share capital. In the event of a winding up, every member at that time is required to contribute £1.

20 Reconciliation of net expenditure to net cash flow from operating activities

	Year ended 31 December 2024			Year ended 31 December 2023
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Net (expenditure)/income	44,128	(58,147)	(14,019)	(150,151)
Depreciation charges	64,471	-	64,471	99,362
Interest charge	13,663	-	13,663	15,548
Loss on disposal of fixed assets	359	-	359	(1,771)
Decrease/(increase) in debtors	(20,848)	-	(20,848)	(141)
(Increase)/decrease in creditors	38,536	-	38,536	2,478
Net cash provided/(used in) operating activities	140,309	(58,147)	82,162	(34,675)
Year ended 31 December 2023	9,057	(43,732)	(34,675)	

KINGS CHURCH DARLINGTON

England & Wales - Charity number 1113455

Accounts

King's Church Darlington
(A company limited by guarantee)

Report and Financial Statements
For the Year ended 31 December 2023

Company Registration Number: 5670530
Charity Number: 1113455

King's Church Darlington

Financial Statements for the Year ended 31 December 2023

Contents

	Page
Reference and Administrative Information	2
Directors Report	3-9
Independent Examiner's Report to the Members	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flows	13
Notes forming part of the Financial Statements	14-27

King's Church Darlington

Reference and Administrative Information

Charity name:	King's Church Darlington
Company registration number:	5670530
Charity registration number:	1113455
Registered Office and operational address:	The King's Centre Prospect Place Whessoe Road Darlington Co Durham DL3 0QT

Directors and Trustees of the Charity

Mr M Coltman	
Mrs A Cooley	
Mr RP Davison	Chair
Mr GJ Kennedy (resigned 31 May 2023)	
Mr JC Lambert (appointed 26 November 2023)	
Mrs J Salt	
Mr MA Sowerby	
Mr ST Ward (resigned 31 December 2023)	

Leadership Team

Mr M Coltman	Lead Elder
Mrs J Coltman	
Mr RP Davison	Elder
Mrs M Davison	
Mr GJ Kennedy	Elder (resigned 31 May 2023)
Mrs EA Kennedy	(resigned 31 May 2023)
Mr C Cooley	
Mrs A Cooley	
Mr PJ Hillsdon	
Mrs S Hillsdon	
Mr JC Lambert	Elder (appointed 26 November 2023)
Mrs K Lambert	

Company Secretary	Mr MA Sowerby
Independent Examiner	Abacus Bean, Level Q Offices, Surtees Business Park, Stockton-on-Tees TS18 3HR
Bankers	Unity Trust Bank, Nine Brindley Place, Birmingham B1 2HB
Solicitors	Close Thornton, 2 Duke Street, Darlington DL3 7AB

King's Church Darlington
Directors' Report for the Year ended 31 December 2023

The Directors of the charitable company are its Trustees for the purpose of charity law, and throughout the report are collectively referred to as the Trustees.

The Trustees present their report, together with the independently examined financial statements for the year ended 31 December 2023.

The Trustees confirm that the report and financial statements of the charity 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 (FRS102) (effective 1 January 2019)".

Structure, Governance and Management

Governing Document

King's Church Darlington is a company limited by guarantee and registered with the Charity Commission (No.1113455). The company was incorporated on 10 January 2006 and its governing document is the Memorandum and Articles of Association dated 24 November 2005.

Recruitment and Appointment of Board of Trustees

The Church Elders, who are responsible for the day to day running of the Church, appoint the Trustees. The Board of Trustees serving during 2023 were:

Mr M Coltman - Michael has been involved in church leadership for over 15 years, as a youth leader and, for the last 6 years, on the Eldership of a church. Michael was previously leading a church in Ontario Canada before taking the lead elder role at King's Church 2021. Prior to church employment Michael was working in Quality Assurance for EE. He is also a qualified counsellor.

Mrs A Cooley - Anne has been attending Kings Church since 2015 and has been involved with the children's work, part of the team working with the ladies of the church, and is one of the organisers of the annual Kings Christmas Craft Market. Along with her husband, she has taken out teams to Uganda from all over the UK, including from Kings Church. She is also a founder trustee of a charity working into Uganda. Anne was a school senior leader and teacher of 40 years' experience and also worked in Teacher Training with York St John University.

Mr RP Davison – Paul was the Deputy Director for Health Protection North East for Public Health England until his retirement in October 2019. He now has a national role working on environmental public health, sustainability and climate change. He became an elder in June 2009 and his responsibilities at King's Church include leading a worship band and preaching/teaching. Paul is Chair of Trustees.

Mr GJ Kennedy – Graham has been attending Kings Church since 1998, and has been involved in youth work, alpha courses and is part of the worship team. He was made an Elder in 2019. Graham was employed as a lecturer at Bishop Auckland College, where he had worked for over 20 years teaching hospitality and catering. From 1 June 2021 until 31st May 2023 Graham was employed as a full-time elder.

Mr JC Lambert - John has been involved in mission and church leadership since 1990, both in Paris, France, and in the north east of England. John and his wife, Kathie, who is a hospice nurse, have four grown up children, who now live in three different countries. John likes learning languages, music, running and reading. He is a former Church of England minister and has been an elder at King's Church Darlington since November 2023.

Structure, Governance and Management (continued)

Mrs J Salt - Jenny has been involved at King's Church since 1998. During her time at King's Church, she has served as a Children's group leader and in the worship band. She has worked as a primary school teacher for almost 10 years and leads the music curriculum at her school.

Mr MA Sowerby – Mark has been a member of the Church, and its former Charity since 1993 and has held positions as the Church Accountant and Trustee during that period. He is a Chartered Accountant and works as Group Finance Director in an international Construction Consultancy.

Mr ST Ward – Steve has been a member of the church since its formation and has served in a number of roles including preaching, small group leadership and as head of music. He became an elder of the church in October 2019. He is an experienced IT manager and Business Consultant. Now retired from full-time employment, he continues to provide business advice and mentoring in a consulting capacity. Steve stepped down as a Trustee on 31st December 2023, following a relocation away from Darlington.

Trustee Induction and Training

Most Trustees have previously served in positions of responsibility within churches and Charities. All are familiar with the working of King's Church Darlington, being Church members and holding various positions of responsibility. All Trustees have received a copy of the Memorandum and Articles and are familiar with their contents. M. Sowerby has served as a Director of companies in his professional life and is familiar with the workings of companies and reporting requirements. Trustees make use of Charity commission website to maintain their knowledge of current developments.

Risk Management

The company inherited a valid Risk Assessment from the former Charity. Following the relocation of the Church into the King's Centre in June 2006 a review of risks associated with the property was performed and the Risk Register updated. We were fortunate to be assisted by a Church member whose professional life is very much concerned with carrying out risk assessments for large organisations. A formal review of the risk register is performed on an annual basis.

The Church is also advised by a local Insurance Broker who specialises in church matters and who has been able to visit and discuss our changing needs. This has proved invaluable and has enhanced our risk management process.

Organisational Structure

The Trustees hold quarterly Board meetings. Outside of the Board Meetings a number of sub-committees exist to ensure the smooth running of the Church. These committees are chaired by members of the Board and include other members of the Church where appropriate skills are available. The key committees are:

Remuneration Committee – To review all aspects of employee terms and conditions and make recommendations to the Board for approval. Paid members of the Board are not permitted to vote on issues relating to their own remuneration. It is chaired by RP Davison and members during 2023 include M Sowerby and S Ward. The Trustees receive no benefits from the Church in their capacity as Trustees and give their time voluntarily. Details of Trustee remuneration and expenses in relation to services as Elders is disclosed in note 9 to the financial statements.

Finance Committee - The finance committee meets, as required, in the two months between board meetings. The group comprises, M Coltman, M Sowerby, JC Lambert and RP Davison, and monitors the day to day finances of the Church, dealing with financial matters arising between Board Meetings.

Related Parties

The Church is a member of the Evangelical Alliance and is affiliated to a worldwide network of churches known as Newfrontiers.

Objectives and Activities

The charity exists to advance the Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick. Further objectives are the advancement of education on the basis of Christian principles, and to provide or assist in the provision of facilities in the interests of social welfare.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The strategies employed to further our charitable purposes for the public benefit are:

- Sunday worship and other meetings which are held at the King's Centre, Darlington. The building is in the Whessoe Road area of Darlington and provides an active and distinctive base within a community in need of social regeneration.
- A network of midweek groups (LIFE Groups), which meet on a weekly basis in various homes and the King's Centre. They provide a supportive environment in which members can develop relationships and provide a platform for outreach into the wider community.
- Running discipleship and outreach courses and carrying out weekly and monthly groups for adults and youth, including mental health support group.
- Supporting the work of Sole Hope Uganda, a charity working within education, medicine and special needs in Uganda.
- Supporting the work of a church in Romania as it houses and looks to re-home Ukrainian refugees.
- The Church operates a Furniture recycling scheme, which receives and collects donated furniture, renovates and stores as required, and delivers to those who purchase.
- The Food bank now supports one other venue in town as well as the King's Centre base where food is stored and distributed to over 500 people per week over a five-day weekly period.
- The King's Cafe which is open to the public on a Monday to Friday in the King's Centre.
- King's Sports hosts weekly Pilates classes, using our main hall.
- Weekly youth group which also attends summer camps.
- A weekly baby and toddler group for the local community.

Achievements and Performance

As a church we are pleased to see significant growth in attendance across a range of church activities and the continued increase of members. We have seen an increase in those attending Sunday morning meetings and our youth and children's work, with a large part of the demographic of the church becoming younger and attracting more families.

We have also seen increased demand with our free to attend, Monday night youth group that we offer to the church and those in the community around us, and with attendees also from other churches in Darlington.

Achievements and Performance (continued)

The foodbank has seen more need for their services in the midst of a 'cost of living crisis' and in the last year provided over 150,000 individual meals to the service users. The Furniture Scheme has also continued to be well used by the community of Darlington and the surrounding areas.

In the year, we had the opportunity to host the Christ Central international conference at the centre and this proved to be a great success. We also hosted a women's conference led by Lou Fellingham, a renowned worship leader.

Financial Review

The results show a net expenditure of £150k compared to £29k in 2022. Restricted funds represent £81k of this year-on-year variance with funds received in previous periods being disbursed in 2023. Net expenditure on unrestricted funds was £125k which was £41k above 2022 levels. The result is after bearing depreciation of £99k such that Unrestricted Earnings before Interest, Tax and Depreciation are a negative £10k.

Unrestricted income increased by £39k to £554k with trading activities up by £30k and furniture donations by £23k. Covid recovery grants of £10k received in 2022 were not repeated in 2023. The higher level of trading activities predominantly relate to the Café and Furniture recycling scheme. We remain grateful to Church members who continue to donate through a difficult period.

The higher level of activity also resulted in higher unrestricted costs, which were up by £80k to £679k. Furniture Scheme costs were up by £25k and café costs by £10k. Property costs are up by £27k in the year due to higher energy costs. We continued to adopt a very prudent approach to discretionary expenditure.

Restricted income was down by £33k on 2022 levels at £99k, due to a lower level of grant income. Restricted expenditure was £48k above that incurred in 2022 primarily due to costs expended against Foodbank grants received in previous periods.

Closing unrestricted funds were £35k, however this figure includes fixed assets of £255k of which £225k relates to the King's Centre and the related building improvements. The Church has a finance lease liability of £266k, essentially secured against the building. Net current assets, therefore, represent a fairer picture of the day to day health of the Church finances and availability of funds. Unrestricted net current assets are £16k which are down from £74k in 2022.

Closing restricted funds, all held in cash, were £68k of which £9k relates to grant funding carried forward and £59k to Foodbank donations.

Financial Review (cont.)

Key Activities

Outside of normal meetings and activities the Church is investing in four initiatives: the Furniture Scheme, the Café, King's Sports and the Foodbank. The table below summarises the running costs of these activities and how these costs have been funded:

	Furniture Scheme £'000	Café £'000	King's Sports £'000	Foodbank £'000
Costs:				
Salary Costs	54	38	-	88
Other Direct Costs	138	23	-	24
Allocated Overheads	45	16	2	16
	237	**77**	**2**	**128**
Funded by:				
Voluntary Gifts	-	-	-	81
Benefits in Kind	118	-	-	-
Grant income	2	1	-	29
Trading Income	120	62	3	-
Church Funds	(3)	14	(1)	16
Restricted Funds	-	-	-	2
	237	**77**	**2**	**128**

Allocated overheads represent a share of accommodation costs, based upon space usage and other overhead as relevant. Voluntary gifts are amounts received for the specific activity. Church Funds represents the shortfall in funding from sources of income specific to the activity and is therefore the amount required to be funded from unrestricted Church funds.

Outlook

Despite the economic uncertainty, the outlook for 2024 remains positive with income levels relatively robust and expenditure under control. We continue to be well supported by a mixture of committed employees and volunteers and we remain vigilant to changes in income and cost levels.

Principal Funding Sources

The main source of income to the Church is through gifts and donations received from Church members. We are also able to sublet some offices at the Church premises. Incidental income is received through reimbursement for some specific, and more costly Church events. Major capital projects are usually funded from gift days and grants.

Investment Policy

The Church aims to hold minimal levels of cash reserves and thus surplus funds are retained in higher interest deposit accounts.

Financial Review (cont.)

Reserves Policy

The Church Trustees have established a policy of ensuring that the Charity retains a minimum level of cash equivalent to between 2 and 3 months normal expenditure. At 31 December 2023 this target was estimated at between £60k and £80k. Closing unrestricted cash funds at December 2023 were £58k, of which £10k related to a legacy received in 2018. The Trustees are keen to ensure that this legacy is used for the future development of the Church though the training and development of new leaders and leveraging the capacity of the King's Centre facilities in the advancement of the Churches key objectives. A decision was taken to increase funds through a gift day, held in May 2024, which increased funds by circa £33k.

Plans for Future Periods

Over the last twelve months it has been encouraging to see church growth and to look at the community and services we have been able to provide. We have seen growth in our Sunday morning gatherings as we attract more young families as a church.

We also have been encouraged by attendance to other weekly groups that we have provided and going forward we will look to continue to support these groups. Care & Share, our mental health group, a knitting group, and a toddlers group have been successful in reaching the community. We have also established a new group, 'Taste & See', which provides a safe space for users of the foodbank to receive a free hot meal and to hear about the beliefs of the church.

Our focus on the year ahead is to 'Love God, Love Others and Make Disciples' by:

- Continuing to see growth and sustainability in all of the projects mentioned above.
- To grow the outreach of our youth work and see growth in attendance to all our youth and children's work.
- We will run more children's groups for the local community, including a summer club for outreach and children's celebrations.
- Use of our facilities to provide a greater diversity with events and services catering for all ages.
- Raising the finance to accomplish this with the desire of gifting money to worthwhile causes in both the U.K. and Overseas.
- To support Christ Central church plants, including Gothenburg (Sweden), Chemnitz (Germany), Siem Reap (Cambodia), and Halifax (Canada).
- To preach the good news of Jesus and see people join the church family.

Trustees' responsibilities statement

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

Company and charity 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 charitable company and of the incoming resources and application of resources, including the income 3nd expenditure, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to Independent Examiner

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 17th September 2024 and is signed on their behalf by:

Mr RP Davison
Chair of Trustees

King's Church Darlington
Independent Examiner's report to the trustees of King's Church Darlington

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2023 which are set out on pages 11 to 27.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

BGoodall

Beverley Goodall BA BFP FCA
AbacusBean Limited
Level Q Offices
Surtees Business Park
Stockton-on-Tees
TS18 3HR

Date: 26/9/24

King's Church Darlington
Statement of Financial Activities (including Income & Expenditure Account) for the Year ended 31 December 2023

	Notes	Year ended 31 December 2023 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2022 £
Income and endowments from:					
Donation and legacies	2	343,371	98,890	442,261	469,843
Rental income	3	12,700	-	12,700	12,500
Investment income	4	3,691	-	3,691	1,122
Charitable activities					
Church events	5	194,484	-	194,484	164,140
Total income and endowments		554,246	98,890	653,136	647,605
Expenditure on:					
Raising funds	6	3,410	-	3,410	3,198
Costs of generating rental income	6	7,567	-	7,567	6,350
Charitable activities	6	662,098	124,452	786,550	661,866
Governance costs	6	5,760	-	5,760	5,238
Total expenditure		678,835	124,452	803,287	676,652
Net (expenditure)/income	7	(124,589)	(25,562)	(150,151)	(29,047)
Transfer between funds		18,170	(18,170)	-	-
Net movement in funds		(106,419)	(43,732)	(150,151)	(29,047)
Reconciliation of funds					
Funds brought forward		141,906	112,228	254,134	283,181
Total funds carried forward		35,487	68,496	103,983	254,134

The notes on pages 14 to 27 form part of the financial statements.

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.

King's Church Darlington
Balance Sheet as at 31 December 2023

	Notes	31 December 2023 £	£	31 December 2022 £	£
Tangible Fixed Assets	12		254,825		334,132
Current Assets					
Debtors	13	14,113		13,972	
Cash at bank and in hand		126,442		223,901	
		140,555		237,873	
Creditors: amounts falling due within one year	14	(56,147)		(51,785)	
Net Current Assets			84,408		186,088
Total Assets less Current liabilities			339,233		520,220
Creditors: amounts falling due after one year	15		(235,250)		(266,086)
Net Assets			103,983		254,134
Charity Funds					
Unrestricted funds	17		35,487		141,906
Restricted funds	17		68,496		112,228
Total Funds			103,983		254,134

The notes on pages 14 to 27 form part of the financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 17th September 2024 and signed on their behalf by:

.....

Mr MA Sowerby
Trustee
Company Registration number: 5670530 **Charity registration number:** 1113455

King's Church Darlington
Cash Flow Statement for the Year ended 31 December 2023

	Notes	Year ended 31 December 2023 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2022 £
Net cash provided by/(used in) operating activities:	20	9,057	(43,732)	(34,675)	86,766
Cash flows from other sources:					
Proceeds from sale of fixed assets		-	-	-	-
Application of cash:					
Purchase of fixed assets		(20,702)	-	(20,702)	(5,997)
Sale of fixed assets		2,419	-	2,419	-
Payment of interest on borrowing		(15,548)	-	(15,548)	(17,433)
Repayment of borrowing		(28,953)	-	(28,953)	(27,067)
Net increase/(decrease) in cash:		(53,727)	(43,732)	(97,459)	36,269
Cash at the beginning of the year		111,673	112,228	223,901	187,632
Cash at the end of the year		57,946	68,496	126,442	223,901

The notes on pages 14 to 27 form part of the financial statements.

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding financial year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with 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 (FRS102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Church.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

When the restrictions placed on restricted funds have been removed, a transfer is made from restricted funds to unrestricted funds.

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to the particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Church, are recognised when the charity becomes unconditionally entitled to the grant.

- Donated services and facilities are included at the value to the Church where this can be quantified. The value of services provided by volunteers has not been included in these financial statements. The value of food and furniture received and subsequently donated have not been included in these financial statements.

- Rental income is accounted for when it becomes receivable.

- Investment income is included when receivable.

1. Accounting policies (cont.)

(d) Incoming resources (cont.)

- Incoming resources for charitable trading activity are accounted for when they are earned.

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Church earns the right to consideration by its performance.

- For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. Where legacies have been notified to the charity however it is not possible to measure the amount expected to be distributed, the legacy is treated as a contingent asset and disclosed.

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of generating rental income.

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

- Governance costs include the costs associated with meeting constitutional and statutory requirements of the Church and include the independent examiner fees and costs linked to the strategic management of the Church.

- All costs are allocated between the expenditure categories of the Statement of Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated building usage or estimated time committed as set out in note 6.

- Grants payable are accounted for when paid. Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off each asset over their expected useful life:

Music and sound systems	-	25% reducing balance.
Office furniture and equipment	-	25% reducing balance.
Computer equipment	-	50% reducing balance.
Motor vehicles	-	25% reducing balance.
Leasehold improvements	-	10 years straight line from completion.
Property	-	straight line over the term of the lease.

Assets costing less than £250 are not capitalised.

1. Accounting policies (cont.)

(f) Fixed assets (cont.)

Depreciation is not provided on assets under construction until the asset is completed. After completion, periodic impairment reviews of the leasehold improvements will be performed.

(g) Gifts in kind

The value of gifts in kind is recognised as income within the financial statements at the point at which the Church is deemed to realise a benefit for the gift. Such income is valued at the estimated market value of the benefit where this can be quantified.

(h) Leases

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(i) Format of financial statements

The trustees have adapted the formats for financial statements set out in The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, to suit the nature of the company's activities. This format remains consistent with SORP (FRS102).

(j) Critical accounting policies

The accounting policies which have the most material impact on the financial statements of the charity relate to fund accounting and treatment of fixed assets. In particular:

- The Church has acquired a property under a long-term lease. See notes 1 (f) and 17. This has the effect of introducing a material asset and loan into the balance sheet.
- The Church has expended significant funds in developing the property. These leasehold improvements are being depreciated over a 10-year period as per note 1(f).
- Details of restricted funds operated by the Church can be found at note 17.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income or expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting policies (cont.)

(l) Exceptions to SORP (FRS102)

The nature of the charity means that Church members will regularly provide the church with their services on a voluntary basis. Examples of the contribution made by volunteers include organisation of events and meetings, and support to the café, food bank, sports facilities and furniture scheme to augment the work of paid employees. As per note 1 (d), these services have not been valued and included as income as the trustees believe that it is impossible to quantify the value of these services and that the inclusion of such an estimate would not add to the understanding of the financial performance of the charity.

The Church operates a Furniture recycling scheme which receives donated second-hand furniture. The furniture is then sold to the community at a nominal fee intended to cover operating costs only. Valuation of the donated goods is not possible and so the Church recognises the gift income and associated cost at the same value as the income actually received when sold. Whilst the Church holds a level of stock at a given time the trustees have chosen not to include the value of the stock in its balance sheet on the basis that it is not possible to value the stock until it has been sold and on the basis that the value is not material to the understanding of the financial statements.

The Church operates a food bank which receives donated food. The food is then gifted to the community for no fee. The donated food is high volume and low value which makes it impractical to value and so the Church does not recognise gift income, the associated cost or stock.

2 Income from donations and legacies

	Year ended 31 December 2023			Year ended 31 December 2022
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Gifts and donations	225,109	81,335	306,444	310,421
Legacies	-	-	-	-
Grants (see note 17)	125	17,555	17,680	63,957
Gifts in kind	118,137	-	118,137	95,465
	343,371	98,890	442,261	469,843
Year ended 31 December 2022	337,358	132,485	469,843	

Restricted income represents income gifted for the purposes to support the work of the Foodbank, and grants to support the work of the activities undertaken at the King's Centre notably the Foodbank and the Furniture Scheme.

The £10,000 of unrestricted grant income are grants received from the Local Authority to affect organisations impacted by the Coronavirus pandemic.

Gifts in kind represent the value of donated furniture that was sold during the year.

3 Rental income

	Year ended 31 December 2023			Year ended 31 December 2022
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Letting of office facilities	12,700	-	12,700	12,500
	12,700	-	12,700	12,500
Year ended 31 December 2022	12,500	-	12,500	

4 Investment income

	Year ended 31 December 2023			Year ended 31 December 2022
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Bank interest receivable	3,691	-	3,691	1,122
	3,691	-	3,691	1,122
Year ended 31 December 2022	1,122	-	1,122	

5 Income from charitable activities – church events

	Year ended 31 December 2023			Year ended 31 December 2022
	Unrestricted Funds	Restricted Funds	Total Funds	
Reimbursements for:	£	£	£	£
Youth Activities	174	-	174	348
Events and Training	8,649	-	8,649	10,891
Furniture Scheme	119,540	-	119,540	98,769
Café Income	62,446	-	62,446	50,317
King's Sports	3,220	-	3,220	3,165
Other Income	455	-	455	650
	194,484	-	194,484	164,140
Year ended 31 December 2022	164,140	-	164,140	

6 Total expenditure

		Year ended 31 December 2023						
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total	Year ended 31 December 2022
		£	£	£	£	£	£	£
Church Meetings	Direct	-	-	8,671	-	264	8,935	6,514
External Events	Direct	-	-	200	-	-	200	4,907
Evangelism & Training	Direct	-	-	985	-	-	985	2,388
Youth/Children's Work	Direct	-	-	9,279	-	-	9,279	5,746
Grants to Organisations	Direct	-	-	25,083	-	7,493	32,576	29,760
Grants to Individuals	Direct	-	-	2,248	-	1,500	3,748	3,274
Independent Examiners Fees	Direct	-	-	-	2,350	-	2,350	2,040
Furniture Recycled	Direct	-	-	136,468	-	1,969	138,437	111,419
Café	Direct	-	-	22,381	-	692	23,073	12,273
Foodbank	Direct	-	-	-	-	24,474	24,474	16,054
King's Sports	Direct	-	-	-	-	-		-
		-	-	205,315	2,350	36,392	244,057	194,375
Staff Costs	Time	2,923	1,461	244,083	2,923	88,060	339,450	303,701
Premises Costs	Usage	-	5,397	174,501	-	-	179,898	140,929
Administration Costs	Time	487	243	23,117	487	-	24,334	20,214
Interest on Finance Lease	Usage	-	466	15,082	-	-	15,548	17,433
		3,410	7,567	662,098	5,760	124,452	803,287	676,652
Year ended 31 December 2022		3,198	6,350	584,584	5,238	77,282	676,652	

Elder and Administrators Staff Costs and Administration Costs have been allocated on the basis of an estimate of time spent by the Elders, Administrator, Furniture Scheme Manager, Foodbank Staff, and Café Manager. Premises costs and the interest on the loan to fund the building purchase have been allocated on the basis of usage of the building. Premises costs include depreciation of Building Improvements of £71,330 (2022: £71,236) and £20,000 for Property (2023: £20,000). The balance of depreciation costs of £8,032 (2022: £6,793) is within administrative costs.

6 Total expenditure (cont.)

		Year Ended 31 December 2022					
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total
		£	£	£	£	£	£
Church Meetings	Direct	-	-	3,399	-	3,115	6,514
External Events	Direct	-	-	4,694	-	213	4,907
Evangelism & Training	Direct	-	-	749	-	1,639	2,388
Youth/Children's Work	Direct	-	-	5,546	-	200	5,746
Grants to Organisations	Direct	-	-	29,760	-	-	29,760
Grants to Individuals	Direct	-	-	2,474	-	800	3,274
Independent Examiners Fees	Direct	-	-	-	2,040	-	2,040
Furniture Recycled	Direct	-	-	110,703	-	716	111,419
Café	Direct	-	-	12,273	-	-	12,273
Foodbank	Direct	-	-	-	-	16,054	16,054
King's Sports	Direct	-	-	-	-	-	-
		-	-	169,598	2,040	22,737	194,375
Staff Costs	Time	2,794	1,397	242,171	2,794	54,545	303,701
Premises Costs	Usage	-	4,228	136,701	-	-	140,929
Administration Costs	Time	404	202	19,204	404	-	20,214
Interest on Finance Lease	Usage	-	523	16,910	-	-	17,433
		3,198	6,350	584,584	5,238	77,282	676,652

7 Net incoming resources

Net incoming resources are stated after charging:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Depreciation	99,362	98,029
Independent Examiners Fees	2,350	2,040

8 Staff costs

Staff costs were as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Salaries and wages	303,035	269,251
Social security costs	18,941	19,928
Pension costs	20,337	18,270
	342,313	307,449

No employee earned emoluments of more than £60,000 in a year (2022: none). The Church operates a defined contribution pension scheme which requires the Church to make contributions of 7%, provided that the employees match the 7% contributions. From 1 June 2023 the respective contributions were increased to 8%. The contributions made by the Church for the year were £20,337 (2022: £18,270). Total termination payments amount to £9,000 (2022: £Nil) and relate to settlement agreements for employments terminated in the current year. No amounts are outstanding at the year end (2022:£Nil).

The average number of employees during the year, calculated on the basis of full-time equivalents was as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
Church Elder	1.8	2.0
Church Administrator	0.7	1.0
Youth Worker	1.0	1.0
Furniture Scheme Worker	2.2	3.3
Café Worker	1.6	2.0
Cleaner	0.6	1.0
Foodbank Staff	3.5	2.7
	11.4	13.0

9 Trustees remuneration and related party transactions

There were three trustees who received remuneration in the year (2022: two) for their services as Elders, as permitted by the Memorandum and Articles of Association. These were the only key management person who received remuneration in the current or previous year. Total emoluments were £96,223 (2022: £90,184), including pension contributions of £6,151 (2022: £5,900).

The highest paid trustee, Mike Coltman, received emoluments in the year of £50,875 (2022: £48,386) including pension contributions of £3,626 (2022: £3,165).

The trustees mentioned above were reimbursed for expenses totalling £2,657 (2022: £3,289). Steve Ward received reimbursement for expenses totalling £Nil (2022:£168). These expenses were incurred performing their duties as Elders, and mainly comprised travelling, hospitality and telephone costs.

No other Director or other person related to the management of the Church had any personal interest in any contract or transaction entered into by the Charity during the year.

10 Grants made by the Charity

In the year, the Church made charitable grants from unrestricted funds of £27,311 (2022: £32,234) which comprised £25,083 to organisations (2022: £29,760) and £2,248 to individuals (2022: £2,474). The largest gifts were £11,000 towards the works of Christ Central, being the organisation which co-ordinates the subgroup of NewFrontiers to which the Church is affiliated, and £5,000 towards New Day a national annual Christian conference for youth.

Grants of £1,500 were made from the Poverty Relief Fund (2022: Nil) and £7,493 from grants (2022: Nil) of which the largest was £6,370 in respect of Uganda projects.

In all cases gifts were made to further the aims of the charity being to further Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick.

11 Taxation

As a charity, King's Church Darlington is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12 Tangible fixed assets

	Music & Sound System	Office Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Property	Total
	£	£	£	£	£	£
Cost						
At 1 January 2023	55,864	73,132	34,029	1,126,283	500,000	1,789,308
Additions	-	4,006	14,750	1,946	-	20,702
Disposals	-	-	(5,650)	-	-	(5,650)
At 31 December 2023	55,864	77,138	43,129	1,128,229	500,000	1,804,360
Depreciation						
At 1 January 2023	49,565	63,838	29,677	977,096	335,000	1,455,176
Charge for the year	1,575	3,323	3,134	71,330	20,000	99,362
Disposals	-	-	(5,003)	-	-	(5,003)
At 31 December 2023	51,140	67,161	27,808	1,048,426	355,000	1,549,535
Net Book Value						
At 31 December 2023	**4,724**	**9,977**	**15,321**	**79,803**	**145,000**	**254,825**
At 31 December 2022	6,299	9,294	4,352	149,187	165,000	334,132

The net book value of assets held under finance lease amounted to £145,000 (2022: £165,000).

13 Debtors

	31 December 2023	31 December 2022
	£	£
Other debtors	6,614	4,651
Prepayments	7,499	9,321
	14,113	13,972

14 Creditors: Amounts falling due within one year

	31 December 2023	31 December 2022
	£	£
Trade creditors	8,629	7,726
Taxation and social security	8,587	7,708
Accruals	8,094	7,399
Finance lease	30,837	28,952
	56,147	51,785

Amounts owed under finance lease are secured by the assets to which they relate.

15 Creditors: amounts falling due after one year

	31 December 2023 £	31 December 2022 £
Finance lease	235,250	266,086

On 18th January 2007, the company entered an arrangement to purchase a property. The terms of the arrangement were to pay monthly instalments of £3,708 over a 25-year period, at which point the company has the option to purchase the freehold for a nominal amount. The agreement was backdated to 1 April 2006.

Amounts owed under finance lease are secured by the assets to which they relate.

16 Analysis of net assets between funds

Year ended 31 December 2023

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	254,825	-	254,825
Current assets	72,059	68,496	140,555
Current liabilities	(56,147)	-	(56,147)
Long-term liabilities	(235,250)	-	(235,250)
Net assets at 31 December 2023	35,487	68,496	254,134

Year ended 31 December 2022

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	334,132	-	334,132
Current assets	125,645	112,228	237,873
Current liabilities	(51,785)	-	(51,785)
Long-term liabilities	(266,086)	-	(266,086)
Net assets at 31 December 2022	141,906	112,228	103,983

17 Movement in funds

Year ended 31 December 2023

	Unrestricted Funds - General Funds	Restricted Funds - Foodbank	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2022	223,936	39,545	2,834	16,866	283,181
Incoming Resources	515,120	78,528	-	53,957	647,605
Outgoing Resources	(599,370)	(56,805)	(800)	(19,677)	(676,652)
Transfer between funds	2,220	-	-	(2,220)	-
As at 1 January 2023	141,906	61,268	2,034	48,926	254,134
Incoming Resources	554,246	81,335	-	17,555	653,136
Outgoing Resources	(678,835)	(83,403)	(1,500)	(39,549)	(803,287)
Transfer between funds	18,170	-	-	(18,170)	-
As at 31 December 2023	35,487	59,200	534	8,762	103,983

Purpose of the Foodbank Fund (formerly Gift Day Fund)

This fund is built up from donations to support the activities of the Foodbank.

At 1 January 2023 the brought forward fund was £61,268. Further gifts of £81,335 were received in the year. Expenditure was £83,403 such that closing funds were £59,200.

Pastoral Help Fund

This fund is available to meet the needs of those in financial difficulties. A balance of £2,034 was brought forward. £1,500 was gifted in the year leaving a closing balance of £534.

Grant Income

Foodbank: A brought forward grant to support clients of the Foodbank who were in need of £2,238 was added to by a further £3,000 grant in the year. £5,232 was expended leaving a carried forward balance of £6. There was also a balance of £2,000 brought forward for the purchase of food, grants of £21,900 towards the running of the scheme and £695 toward the running of vehicles and these were all fully utilised in the year. A grant of £1,088 was received toward the establishment and upkeep of a food bank garden facility and this remained unspent at the year end.

17 Movement in funds (cont.)

Grant Income (cont)

Furniture Scheme: The Church holds grant funding designated to fund the running and replacement costs of a Furniture Recycling Scheme van. The opening balance was £14,642. An additional £3,000 was received in the year, £441 was spent on maintenance costs and £14,750 used to purchase a new van, leaving a closing balance of £2,451. An unspent grant of £1,431 towards establishment of workshops was brought forward. £1,105 was expended in the year with the balance of £326 being carried into 2024.

Other: A number of other grants were utilised as follows. £950 towards the funding of the Soup Kitchen was brought forward and carried forward. £139 to fund equipment for King's Sports was brought forward and remained unspent at the year end. An unspent grant to replace the floor in one of the halls in the King's Centre of £941 was brought forward and remained unspent at the year end. Grants of £2,390 towards the support of overseas mission work was brought forward. A further £100 was received and £1,122 was spent, leaving a closing balance of £1,368. Grants of £1,315 to support the work of Soul Hope Uganda were brought forward with a further £,6317 added in 2023. £6,370 was spent in the year leaving a closing balance of £1,262. £264 was spent against a brought forward grant of £285 to allow the purchase of books, leaving a closing balance of £21. Grants of £4,050 were received in the year towards the funding of new furniture for the café. £3,840 was spent leaving a closing balance of £210.

Year ended 31 December 2022

	Unrestricted Funds - General Funds	Restricted Funds - Gift Day Fund	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2021	342,715	46,273	2,834	30,977	422,799
Incoming Resources	435,728	57,574	-	30,090	523,392
Outgoing Resources	(554,507)	(64,302)	-	(44,201)	(663,010)
Transfer between funds	-	-	-	-	-
As at 1 January 2022	223,936	39,545	2,834	16,866	283,181
Incoming Resources	515,120	78,528	-	53,957	647,605
Outgoing Resources	(599,370)	(56,805)	(800)	(19,677)	(676,652)
Transfer between funds	2,220	-	-	(2,220)	-
As at 31 December 2022	141,906	61,268	2,034	48,926	254,134

18 Leases

a) Finance leases - lessee

The only finance lease relates to the purchase of Land and Buildings. The terms of the lease require quarterly instalments of £11,125 to be paid over a 25-year period commencing on 1 April 2006. The building has been valued at £500,000 and interest of £612,500 has been allocated on a sum of digits basis. The capital payment of the lease is due:

	31 December 2023	31 December 2022
	£	£
Within 1 Year	30,837	28,952
Within 2 to 5 Years	142,192	134,654
After 5 Years	93,058	131,432
	266,087	295,038

b) Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Payable	31 December 2023	31 December 2022
	£	£
Not later than one year	682	369
Later than one and not later than five years	2,559	-
Later than five years	-	-
	3,241	369

19 Share capital

The company does not have a share capital. In the event of a winding up, every member at that time is required to contribute £1.

20 Reconciliation of net expenditure to net cash flow from operating activities

	Year ended 31 December 2023			Year ended 31 December 2022
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Net (expenditure)/income	(106,419)	(43,732)	(150,151)	(29,047)
Depreciation charges	99,362	-	99,362	98,029
Interest charge	15,548	-	15,548	17,433
Loss on disposal of fixed assets	(1,771)	-	(1,771)	129
Decrease/(increase) in debtors	(141)	-	(141)	(1,078)
(Increase)/decrease in creditors	2,478	-	2,478	1,300
Net cash provided/(used in) operating activities	9,057	(43,732)	(34,675)	86,766
Year ended 31 December 2022	33,784	52,982	86,766	

KINGS CHURCH DARLINGTON

England & Wales - Charity number 1113455

Accounts

King's Church Darlington
(A company limited by guarantee)

Report and Financial Statements
For the Year ended 31 December 2022

Company Registration Number: 5670530
Charity Number: 1113455

King's Church Darlington

Financial Statements for the Year ended 31 December 2022

Contents

	Page
Reference and Administrative Information	2
Directors Report	3-9
Independent Examiner's Report to the Members	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flows	13
Notes forming part of the Financial Statements	14-27

King's Church Darlington

Reference and Administrative Information

Charity name:	King's Church Darlington
Company registration number:	5670530
Charity registration number:	1113455
Registered Office and operational address:	The King's Centre Prospect Place Whessoe Road Darlington Co Durham DL3 0QT

Directors and Trustees of the Charity

Mr M Coltman	Chair
Mrs A Cooley (appointed 5th September 2022)	
Mr RP Davison	
Mr GJ Kennedy (resigned 31 May 2023)	
Mrs J Salt (appointed 5th September 2022)	
Mr MA Sowerby	
Mr ST Ward	

Leadership Team

Mr M Coltman	Lead Elder
Mrs J Coltman	
Mr RP Davison	Elder
Mrs M Davison	
Mr GJ Kennedy	Elder (resigned 31 May 2023)
Mrs EA Kennedy	(resigned 31 May 2023)
Mr C Cooley	
Mrs A Cooley	
Mr PJ Hillsdon	
Mrs S Hillsdon	
Mr J Lambert	
Mrs K Lambert	

Company Secretary	Mr MA Sowerby
Independent Examiner	Azets Audit Services, Wynyard Park House, Wynyard Avenue, Wynyard, TS22 5TB
Bankers	Unity Trust Bank, Nine Brindley Place, Birmingham B1 2HB
Solicitors	Close Thornton, 2 Duke Street, Darlington. DL3 7AB

King's Church Darlington
Directors' Report for the Year ended 31 December 2022

The Directors of the charitable company are its Trustees for the purpose of charity law, and throughout the report are collectively referred to as the Trustees.

The Trustees present their report, together with the independently examined financial statements for the year ended 31 December 2022.

The Trustees confirm that the report and financial statements of the charity 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 (FRS102) (effective 1 January 2019)".

Structure, Governance and Management

Governing Document

King's Church Darlington is a company limited by guarantee and registered with the Charity Commission (No.1113455). The company was incorporated on 10 January 2006 and its governing document is the Memorandum and Articles of Association dated 24 November 2005.

Recruitment and Appointment of Board of Trustees

The Church Elders, who are responsible for the day to day running of the Church, appoint the Trustees. The Board of Trustees serving during 2022 were:

Mr M Coltman - Michael has been involved in church leadership for over 15 years, as a youth leader and, for the last 6 years, on the Eldership of a church. Michael was previously leading a church in Ontario Canada before taking the lead elder role at King's Church 2021. Prior to church employment Michael was working in Quality Assurance for EE. He is also a qualified counsellor.

Mrs A Cooley - Anne has been attending Kings Church since 2015 and has been involved with the children's work, part of the team working with the ladies of the church, and is one of the organisers of the annual Kings Christmas Craft Market. Along with her husband, she has taken out teams to Uganda from all over the UK, including from Kings Church. She is also a founder trustee of a charity working into Uganda. Anne was a school senior leader and teacher of 40 years' experience and, until she retired, also worked in Teacher Training with York St John University.

Mr RP Davison – Paul was the Deputy Director for Health Protection North East for Public Health England until his retirement in October 2019. He now has a national role working on environmental public health, sustainability and climate change. He became an elder in June 2009 and his responsibilities at King's Church include leading a worship band and preaching/teaching. Paul is Chair of Trustees.

Mr GJ Kennedy – Graham has been attending Kings Church since 1998, and has been involved in youth work, alpha courses and is part of the worship team. He was made an Elder in 2019. Graham was employed as a lecturer at Bishop Auckland College, where he had worked for over 20 years teaching hospitality and catering. From 1 June 2021 until 31st May 2023 Graham was employed as a full-time elder.

Mrs J Salt - Jenny has been involved at King's Church since 1998. During her time at King's Church, she has served as a Children's group leader and in the worship band. She has worked as a primary school teacher for almost 10 years and leads the music curriculum at her school.

Structure, Governance and Management (continued)

Mr MA Sowerby – Mark has been a member of the Church, and its former Charity since 1993 and has held positions as the Church Accountant and Trustee during that period. He is a Chartered Accountant and works as Group Finance Director in an international Construction Consultancy.

Mr ST Ward – Steve has been a member of the church since its formation and has served in a number of roles including preaching, small group leadership and as head of music. He became an elder of the church in October 2019. He is an experienced IT manager and Business Consultant. Now retired from full-time employment, he continues to provide business advice and mentoring in a consulting capacity.

Trustee Induction and Training

Most Trustees have previously served in positions of responsibility within churches and Charities. All are familiar with the working of King's Church Darlington, being Church members and holding various positions of responsibility. All Trustees have received a copy of the Memorandum and Articles and are familiar with their contents. M. Sowerby has served as a Director of companies in his professional life and is familiar with the workings of companies and reporting requirements. Trustees make use of Charity commission website to maintain their knowledge of current developments.

Risk Management

The company inherited a valid Risk Assessment from the former Charity. Following the relocation of the Church into the King's Centre in June 2006 a review of risks associated with the property was performed and the Risk Register updated. We were fortunate to be assisted by a Church member whose professional life is very much concerned with carrying out risk assessments for large organisations. A formal review of the risk register is performed on an annual basis.

The Church is advised by a local Insurance Broker who specialises in church matters and who has been able to visit and discuss our changing needs. This has proved invaluable and has enhanced our risk management process.

Organisational Structure

The Trustees hold quarterly Board meetings. Outside of the Board Meetings a number of sub-committees exist to ensure the smooth running of the Church. These committees are chaired by members of the Board and include other members of the Church where appropriate skills are available. The key committees are:

Remuneration Committee – To review all aspects of employee terms and conditions and make recommendations to the Board for approval. Paid members of the Board are not permitted to vote on issues relating to their own remuneration. It is chaired by RP Davison and members during 2022 include M Sowerby and S Ward. The Trustees receive no benefits from the Church in their capacity as Trustees and give their time voluntarily. Details of Trustee remuneration and expenses in relation to services as Elders is disclosed in note 9 to the financial statements.

Finance Committee - The finance committee meets, as required, in the two months between board meetings. The group comprises, M Coltman, M Sowerby and RP Davison, and monitors the day to day finances of the Church, dealing with financial matters arising between Board Meetings.

Related Parties

The Church is a member of the Evangelical Alliance and is affiliated to a worldwide network of churches known as Newfrontiers.

Objectives and Activities

The charity exists to advance the Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick. Further objectives are the advancement of education on the basis of Christian principles, and to provide or assist in the provision of facilities in the interests of social welfare.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The strategies employed to further our charitable purposes for the public benefit are:

- Sunday worship and other meetings which are held at the King's Centre, Darlington. The building is a former Naafi and carpet warehouse in the Whessoe Road area of Darlington and provides an active and distinctive base within a community in need of social regeneration.
- A network of midweek groups (LIFE Groups), which meet on a weekly basis in various homes. They provide a supportive environment in which members can develop and provide a platform for outreach into the wider community.
- Running courses and carrying out weekly and monthly groups for adults and youth, including mental health support group.
- Supporting the work of Sole Hope Uganda, a charity working within education, medicine and special needs in Uganda.
- Supporting the work of the church in Romania as it houses and looks to re-home Ukrainian refugees.
- The Church operates a Furniture recycling scheme, which receives and collects donated furniture, renovates and stores as required, and delivers to those who purchase.
- The Food bank now supports one other venue in town as well as the King's Centre base where food is stored and distributed to over 500 people per week over a five-day weekly period.
- King's Sports hosts weekly Pilates classes, using our main hall.

Achievements and Performance

As a church we are pleased to see growth in attendance across a range of church activities and the continued increase of members. This has meant a rise in those attending Sunday morning meetings and our youth and children's work.

We have also seen increased demand with our mental health group (Care and Share), toddlers group, and the Monday night youth group that we offer to the church and surrounding community.

The foodbank has seen more need for their services in the midst of a 'cost of living crisis' and is now feeding around 500 individuals per week. The Furniture Scheme has also seen an upward trend in need.

In the year, we had the opportunity to host the Christ Central international conference at the centre and this proved to be a great success.

Achievements and Performance (continued)

Working with a church in Brasov, Romania, we have been able to send out a team on two occasions to provide support and supplies to their work in housing and re-homing Ukrainian refugees. This included a team going to finish work in the church building, to provide bedrooms.

Financial Review

The results show a net expenditure of £29k compared to £140k in 2021. This improvement reflected the increased level of activity within the King's Centre as the effects of the Covid pandemic measures reduced. Net expenditure on unrestricted funds was £84k which was £25k better than 2021. The result is after bearing depreciation of £98k such that Unrestricted Earnings before Interest, Tax and Depreciation are a positive £30k.

Unrestricted income increased by £79k to £515k with trading activities up by £66k, donations by £8k and rental income by £5k. The higher level of trading activities predominantly relate to the Café and Furniture recycling scheme. We remain grateful to Church members who continue to donate through a difficult period.

The higher level of activity also resulted in higher unrestricted costs, which were up by £45k to £599k. Part of this related to a reduction of £10k in the level of grant received through the government's job retention scheme, but beyond this Furniture Scheme costs were up by £36k, café costs by £5k and grants made by £15k. Property costs were down by £22k on 2021, with 2021 including some roof repair work and carpet replacement. We continued to adopt a very prudent approach to discretionary expenditure.

Restricted income was £45k above the 2021 levels at £132k. £24k of this is due to increased level of grant funding and the balance of £21k is a higher level of Foodbank donations. Restricted expenditure was £31k below that incurred in 2021 primarily due to a reduced level of expenditure against grants.

Closing unrestricted funds were £142k, however this figure includes fixed assets of £334k of which £314k relates to the King's Centre and the related building improvements. The Church has a finance lease liability of £295k, essentially secured against the building. Net current assets, therefore, represent a fairer picture of the day to day health of the Church finances and availability of funds. Unrestricted net current assets are £74k which are down from £92k in 2021.

Closing restricted funds, all held in cash, were £112k of which £49k relates to grant funding carried forward and £61k to Foodbank donations.

Financial Review (cont.)

Key Activities

Outside of normal meetings and activities the Church is investing in four initiatives: the Furniture Scheme, the Café, King's Sports and the Foodbank. The table below summarises the running costs of these activities and how these costs have been funded:

	Furniture Scheme £'000	Café £'000	King's Sports £'000	Foodbank £'000
Costs:				
Salary Costs	60	38	-	55
Other Direct Costs	111	12	-	16
Allocated Overheads	31	22	8	10
	202	**72**	**8**	**81**
Funded by:				
Voluntary Gifts	-	-	-	78
Benefits in Kind	95	-	-	-
Grant income	1	-	-	13
Trading Income	99	50	3	-
Church Funds	7	22	5	(10)
	202	**72**	**8**	**81**

Allocated overheads represent a share of accommodation costs, based upon space usage and other overhead as relevant. Voluntary gifts are amounts received for the specific activity. Church Funds represents the shortfall in funding from sources of income specific to the activity and is therefore the amount required to be funded from unrestricted Church funds.

Outlook

Despite the economic uncertainty, the outlook for 2023 remains reasonably positive with income levels relatively robust and expenditure under control. We remain vigilant to changes in income and cost levels and recognise that 2023 is likely to bring with it recessionary challenges and increases in energy costs.

Principal Funding Sources

The main source of income to the Church is through gifts and donations received from Church members. We are also able to sublet some offices at the Church premises. Incidental income is received through reimbursement for some specific, and more costly Church events. Major capital projects are usually funded from gift days and grants.

Investment Policy

The Church aims to hold minimal levels of cash reserves and thus surplus funds are retained in higher interest deposit accounts.

Financial Review (cont.)

Reserves Policy

The Church Trustees have established a policy of ensuring that the Charity retains a minimum level of cash equivalent to between 2 and 3 months normal expenditure. At 31 December 2022 this target was estimated at between £48k and £72k. Closing unrestricted cash funds at December 2022 were £112k, of which £38k related to a legacy received in 2018. The Trustees are keen to ensure that this legacy is used for the future development of the Church though the training and development of new leaders and leveraging the capacity of the King's Centre facilities in the advancement of the Churches key objectives.

Plans for Future Periods

Over the last twelve months it has been encouraging to see church growth and to look at the community and services we have been able to provide. We have seen a big take up in Life Groups which has been well attended across the church.

We also have been encouraged by attendance to other weekly groups that we have provided and going forward we will look to continue to support these groups. Care & Share our mental health group, knitting group, toddlers group have been successful in reaching the community.

Our focus on the year ahead is to 'Transform Lives and Change Communities' by:

- Continuing to see growth and sustainability in all of the projects mentioned above.
- To grow the outreach of our youth work and see growth in attendance to all our youth and children's work.
- Use of our facilities to provide a greater diversity with events and services catering for all ages.
- Raising the finance to accomplish this with the desire of gifting money to worthwhile causes in both the U.K. and Overseas.
- To preach the good news of Jesus and see people join the church family.

King's Church Darlington
Directors' Report for the Year ended 31 December 2022

Trustees' responsibilities statement

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

Company and charity 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to Independent Examiner

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 25 September 2023 and is signed on their behalf by:

RP Davison

Mr RP Davison
Chair of Trustee

King's Church Darlington
Independent Examiner's report to the trustees of King's Church Darlington

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2022 which are set out on pages 11 to 27.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of *ICAEW* which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Azets Audit Services

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Date: 26/9/2023

King's Church Darlington
Statement of Financial Activities (including Income & Expenditure Account) for the Year ended 31 December 2022

	Notes	Year ended 31 December 2022 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2021 £
Income and endowments from:					
Donation and legacies	2	337,358	132,485	469,843	417,284
Rental income	3	12,500	-	12,500	8,000
Investment income	4	1,122	-	1,122	-
Charitable activities					
Church events	5	164,140	-	164,140	98,108
Total income and endowments		515,120	132,485	647,605	523,392
Expenditure on:					
Raising funds	6	3,198	-	3,198	3,378
Costs of generating rental income	6	6,350	-	6,350	7,144
Charitable activities	6	584,584	77,282	661,866	646,950
Governance costs	6	5,238	-	5,238	5,538
Total expenditure		599,370	77,282	676,652	663,010
Net (expenditure)/income	7	(84,250)	55,203	(29,047)	(139,618)
Transfer between funds		2,220	(2,220)	-	-
Net movement in funds		(82,030)	52,983	(29,047)	(139,618)
Reconciliation of funds					
Funds brought forward		223,936	59,245	283,181	422,799
Total funds carried forward		141,906	112,228	254,134	283,181

The notes on pages 14 to 27 form part of the financial statements.

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.

King's Church Darlington
Balance Sheet as at 31 December 2022

	Notes	31 December 2022 £	£	31 December 2021 £	£
Tangible Fixed Assets	12		334,132		426,293
Current Assets					
Debtors	13	13,972		12,894	
Cash at bank and in hand		223,901		187,632	
		237,873		200,526	
Creditors: amounts falling due within one year	14	(51,785)		(48,599)	
Net Current Assets			186,088		151,927
Total Assets less Current liabilities			520,220		578,220
Creditors: amounts falling due after one year	15		(266,086)		(295,039)
Net Assets			254,134		283,181
Charity Funds					
Unrestricted funds	17		141,906		223,936
Restricted funds	17		112,228		59,245
Total Funds			254,134		283,181

The notes on pages 14 to 27 form part of the financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 25 September 2023 and signed on their behalf by:

.....

Mr MA Sowerby
Trustee

Company Registration number: 5670530 **Charity registration number:** 1113455

King's Church Darlington
Cash Flow Statement for the Year ended 31 December 2022

	Notes	Year ended 31 December 2022 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2021 £
Net cash provided by/(used in) operating activities:	20	33,784	52,982	86,766	(12,927)
Cash flows from other sources:					
Proceeds from sale of fixed assets		-	-	-	-
Application of cash:					
Purchase of fixed assets		(5,997)	-	(5,997)	(25,094)
Payment of interest on borrowing		(17,433)	-	(17,433)	(19,317)
Repayment of borrowing		(27,067)	-	(27,067)	(25,183)
Net increase/(decrease) in cash:		(16,713)	52,982	36,269	(82,521)
Cash at the beginning of the year		128,386	59,246	187,632	270,153
Cash at the end of the year		111,673	112,228	223,901	187,632

The notes on pages 14 to 27 form part of the financial statements.

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding financial year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with 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 (FRS102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Church.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

When the restrictions placed on restricted funds have been removed, a transfer is made from restricted funds to unrestricted funds.

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to the particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Church, are recognised when the charity becomes unconditionally entitled to the grant.

- Donated services and facilities are included at the value to the Church where this can be quantified. The value of services provided by volunteers has not been included in these financial statements. The value of food and furniture received and subsequently donated have not been included in these financial statements.

- Rental income is accounted for when it becomes receivable.

- Investment income is included when receivable.

1. Accounting policies (cont.)

- Incoming resources for charitable trading activity are accounted for when they are earned.

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Church earns the right to consideration by its performance.

- For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. Where legacies have been notified to the charity however it is not possible to measure the amount expected to be distributed, the legacy is treated as a contingent asset and disclosed.

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of generating rental income.

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

- Governance costs include the costs associated with meeting constitutional and statutory requirements of the Church and include the independent examiner fees and costs linked to the strategic management of the Church.

- All costs are allocated between the expenditure categories of the Statement of Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated building usage or estimated time committed as set out in note 6.

- Grants payable are accounted for when paid. Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off each asset over their expected useful life:

Music and sound systems	-	25% reducing balance.
Office furniture and equipment	-	25% reducing balance.
Computer equipment	-	50% reducing balance.
Motor vehicles	-	25% reducing balance.
Leasehold improvements	-	10 years straight line from completion.
Property	-	straight line over the term of the lease.

Assets costing less than £250 are not capitalised.

1. Accounting policies (cont.)

(f) Fixed assets (cont.)

Depreciation is not provided on assets under construction until the asset is completed. After completion, periodic impairment reviews of the leasehold improvements will be performed.

(g) Gifts in kind

The value of gifts in kind is recognised as income within the financial statements at the point at which the Church is deemed to realise a benefit for the gift. Such income is valued at the estimated market value of the benefit where this can be quantified.

(h) Leases

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(i) Format of financial statements

The trustees have adapted the formats for financial statements set out in The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, to suit the nature of the company's activities. This format remains consistent with SORP (FRS102).

(j) Critical accounting policies

The accounting policies which have the most material impact on the financial statements of the charity relate to fund accounting and treatment of fixed assets. In particular:

- The Church has acquired a property under a long-term lease. See notes 1 (f) and 17. This has the effect of introducing a material asset and loan into the balance sheet.
- The Church has expended significant funds in developing the property. These leasehold improvements are being depreciated over a 10-year period as per note 1(f).
- Details of restricted funds operated by the Church can be found at note 17.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income or expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting policies (cont.)

(l) Exceptions to SORP (FRS102)

The nature of the charity means that Church members will regularly provide the church with their services on a voluntary basis. Examples of the contribution made by volunteers include organisation of events and meetings, and support to the café, food bank, sports facilities and furniture scheme to augment the work of paid employees. As per note 1 (d), these services have not been valued and included as income as the trustees believe that it is impossible to quantify the value of these services and that the inclusion of such an estimate would not add to the understanding of the financial performance of the charity.

The Church operates a Furniture recycling scheme which receives donated second-hand furniture. The furniture is then sold to the community at a nominal fee intended to cover operating costs only. Valuation of the donated goods is not possible and so the Church recognises the gift income and associated cost at the same value as the income actually received when sold. Whilst the Church holds a level of stock at a given time the trustees have chosen not to include the value of the stock in its balance sheet on the basis that it is not possible to value the stock until it has been sold and on the basis that the value is not material to the understanding of the financial statements.

The Church operates a food bank which receives donated food. The food is then gifted to the community for no fee. The donated food is high volume and low value which makes it impractical to value and so the Church does not recognise gift income, the associated cost or stock.

2 Income from donations and legacies

	Year ended 31 December 2022			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2021
	£	£	£	£
Gifts and donations	231,893	78,528	310,421	310,322
Legacies	-	-	-	-
Grants (see note 17)	10,000	53,957	63,957	42,590
Gifts in kind	95,465	-	95,465	64,372
	337,358	132,485	469,843	417,284
Year ended 31 December 2021	329,620	87,664	417,284	

Restricted income represents income gifted for the purposes to support the work of the Foodbank, and grants to support the work of the activities undertaken at the King's Centre notably the Foodbank and the Furniture Scheme.

The £10,000 of unrestricted grant income are grants received from the Local Authority to affect organisations impacted by the Coronavirus pandemic.

Gifts in kind represent the value of donated furniture that was sold during the year.

3 Rental income

	Year ended 31 December 2022			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2021
	£	£	£	£
Letting of office facilities	12,500	-	12,500	8,000
	12,500	-	12,500	8,000
Year ended 31 December 2021	8,000	-	8,000	

4 Investment income

	Year ended 31 December 2022			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2021
	£	£	£	£
Bank interest receivable	1,122	-	1,122	-
	1,122	-	1,122	-
Year ended 31 December 2021	-	-	-	

5 Income from charitable activities – church events

	Year ended 31 December 2022			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2021
Reimbursements for:	£	£	£	£
Youth Activities	348	-	348	210
Events and Training	10,891	-	10,891	885
Furniture Scheme	98,769	-	98,769	65,996
Café Income	50,317	-	50,317	29,256
King's Sports	3,165	-	3,165	1,605
Other Income	650	-	650	156
	164,140	-	164,140	98,108
Year ended 31 December 2021	98,108	-	98,108	

6 Total expenditure

		Year ended 31 December 2022						
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total	Year ended 31 December 2021
		£	£	£	£	£	£	£
Church Meetings	Direct	-	-	3,399	-	3,115	6,514	7,633
External Events	Direct	-	-	4,694	-	213	4,907	1,389
Evangelism & Training	Direct	-	-	749	-	1,639	2,388	4,463
Youth/Children's Work	Direct	-	-	5,546	-	200	5,746	2,585
Grants to Organisations	Direct	-	-	29,760	-	-	29,760	15,335
Grants to Individuals	Direct	-	-	2,474	-	800	3,274	2,958
Independent Examiners Fees	Direct	-	-	-	2,040	-	2,040	2,160
Furniture Recycled	Direct	-	-	110,703	-	716	111,419	75,527
Café	Direct	-	-	12,273	-	-	12,273	6,868
Foodbank	Direct	-	-	-	-	16,054	16,054	28,347
King's Sports	Direct	-	-	-	-	-	-	-
		-	-	169,598	2,040	22,737	194,375	147,265
Staff Costs	Time	2,794	1,397	242,171	2,794	54,545	303,701	311,739
Premises Costs	Usage	-	4,228	136,701	-	-	140,929	162,531
Administration Costs	Time	404	202	19,204	404	-	20,214	22,157
Interest on Finance Lease	Usage	-	523	16,910	-	-	17,433	19,318
		3,198	6,350	584,584	5,238	77,282	676,652	663,010
Year ended 31 December 2021		3,378	7,144	538,447	5,538	108,503	663,010	

Elder and Administrators Staff Costs and Administration Costs have been allocated on the basis of an estimate of time spent by the Elders, Administrator, Furniture Scheme Manager, Foodbank Staff, and Café Manager. Premises costs and the interest on the loan to fund the building purchase have been allocated on the basis of usage of the building. Premises costs include depreciation of Building Improvements of £71,236 (2021: £76,311) and £20,000 for Property (2022: £20,000). The balance of depreciation costs of £6,793 (2021: £7,513) is within administrative costs.

6 Total expenditure (cont.)

		Year Ended 31 December 2021					
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total
		£	£	£	£	£	£
Church Meetings	Direct	-	-	7,633	-	-	7,633
External Events	Direct	-	-	1,389	-	-	1,389
Evangelism & Training	Direct	-	-	4,463	-	-	4,463
Youth/Children's Work	Direct	-	-	2,585	-	-	2,585
Grants to Organisations	Direct	-	-	15,335	-	-	15,335
Grants to Individuals	Direct	-	-	2,958	-	-	2,958
Independent Examiners Fees	Direct	-	-	-	2,160	-	2,160
Furniture Recycled	Direct	-	-	74,902	-	625	75,527
Café	Direct	-	-	6,868	-	-	6,868
Foodbank	Direct	-	-	-	-	28,347	28,347
King's Sports	Direct	-	-	-	-	-	-
		-	-	116,133	2,160	28,972	147,265
Staff Costs	Time	2,934	1,467	224,873	2,934	79,531	311,739
Premises Costs	Usage	-	4,876	157,655	-	-	162,531
Administration Costs	Time	444	221	21,048	444	-	22,157
Interest on Finance Lease	Usage	-	580	18,738	-	-	19,318
		3,378	7,144	538,447	5,538	108,503	663,010

7 Net incoming resources

Net incoming resources are stated after charging:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Depreciation	98,029	103,824
Independent Examiners Fees	2,040	2,160

8 Staff costs

Staff costs were as follows:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Salaries and wages	269,251	277,228
Social security costs	19,928	19,130
Pension costs	18,270	17,476
	307,449	313,834

No employee earned emoluments of more than £60,000 in a year (2021: none). The Church operates a defined contribution pension scheme which requires the Church to make contributions of 7%, provided that the employees match the 7% contributions. From April 2019 until May 2021 these percentages were both 6%, with the increase to 7% taking effect from June 2021. The contributions made by the Church for the year were £18,270 (2021: £17,476).

The average number of employees during the year, calculated on the basis of full-time equivalents was as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
Church Elder	2.0	2.4
Church Administrator	1.0	1.0
Pastoral Worker	-	1.0
Youth Worker	1.0	0.2
Furniture Scheme Worker	3.3	2.7
Café Worker	2.0	2.3
Cleaner	1.0	1.0
Foodbank Staff	2.7	4.2
	13.0	14.8

9 Trustees remuneration and related party transactions

There were two trustees who received remuneration in the year (2021: three) for their services as Elders, as permitted by the Memorandum and Articles of Association. These were the only key management person who received remuneration in the current or previous year. Total emoluments were £90,184 (2021: £102,852), including pension contributions of £5,900 (2021: £6,395).

The highest paid trustee, Mike Coltman, received emoluments in the year of £48,386 (2021: £43,074) including pension contributions of £3,165 (2021: £2,682).

The trustees mentioned above were reimbursed for expenses totalling £3,289 (2021: £2,263). Steve Ward received reimbursement for expenses totalling £168 (2021: Nil). These expenses were incurred performing their duties as Elders, and mainly comprised travelling, hospitality and telephone costs.

In addition to the above, Graham Kennedy's spouse received emoluments in the year of £17,095 (2021: £16,264) including pension contributions of £1,118 (2021: £1,007), for her services as Café Manager. No other Director or other person related to the management of the Church had any personal interest in any contract or transaction entered into by the Charity during the year. The spouse of a former Director and Elder received emoluments in the prior year of £4,192 including pension contributions of £254. Both left employment in 2021.

10 Grants made by the Charity

In the year, the Church made charitable grants from unrestricted funds of £32,234 (2021: £18,293) which comprised £29,760 to organisations (2021: £15,335) and £2,474 to individuals (2021: £2,958). The largest gifts were £9,000 towards the works of Christ Central, being the organisation which co-ordinates the subgroup of NewFrontiers to which the Church is affiliated, and £11,131 to a Church in Brasov, Romania with which the Church is developing links and helping with building work.

No grants were made from restricted funds in the year (2021: none).

In all cases gifts were made to further the aims of the charity being to further Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick.

11 Taxation

As a charity, King's Church Darlington is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12 Tangible fixed assets

	Music & Sound System	Office Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Property	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	54,938	71,098	34,029	1,125,430	500,000	1,785,495
Additions	926	4,218	-	853	-	5,997
Disposals	-	(2,184)	-	-	-	(2,184)
At 31 December 2022	55,864	73,132	34,029	1,126,283	500,000	1,789,308
Depreciation						
At 1 January 2022	47,747	62,369	28,226	905,860	315,000	1,359,202
Charge for the year	1,818	3,524	1,451	71,236	20,000	98,029
Disposals	-	(2,055)	-	-	-	(2,055)
At 31 December 2022	49,565	63,838	29,677	977,096	335,000	1,455,176
Net Book Value						
At 31 December 2022	**6,299**	**9,294**	**4,352**	**149,187**	**165,000**	**334,132**
At 31 December 2021	7,191	8,729	5,803	219,570	185,000	426,293

The net book value of assets held under finance lease amounted to £165,000 (2021: £185,000).

13 Debtors

	31 December 2022	31 December 2021
	£	£
Other debtors	4,651	4,733
Prepayments	9,321	8,161
	13,972	12,894

14 Creditors: Amounts falling due within one year

	31 December 2022	31 December 2021
	£	£
Trade creditors	7,726	7,056
Taxation and social security	7,708	9,621
Accruals	7,399	4,855
Finance lease	28,952	27,067
	51,785	48,599

Amounts owed under finance lease are secured by the assets to which they relate.

15 Creditors: amounts falling due after one year

	31 December 2022	31 December 2021
	£	£
Finance lease	266,086	295,039

On 18th January 2007, the company entered an arrangement to purchase a property. The terms of the arrangement were to pay monthly instalments of £3,708 over a 25-year period, at which point the company has the option to purchase the freehold for a nominal amount. The agreement was backdated to 1 April 2006.

Amounts owed under finance lease are secured by the assets to which they relate.

16 Analysis of net assets between funds

Year ended 31 December 2022

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	334,132	-	334,132
Current assets	125,645	112,228	237,873
Current liabilities	(51,785)	-	(51,785)
Long-term liabilities	(266,086)	-	(266,086)
Net assets at 31 December 2022	141,906	112,228	254,134

Year ended 31 December 2021

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	426,293	-	426,293
Current assets	141,281	59,245	200,526
Current liabilities	(48,599)	-	(48,599)
Long-term liabilities	(295,039)	-	(295,039)
Net assets at 31 December 2021	223,936	59,245	283,181

17 Movement in funds

Year ended 31 December 2022

	Unrestricted Funds - General Funds	Restricted Funds - Foodbank	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2021	342,715	46,273	2,834	30,977	422,799
Incoming Resources	435,728	57,574	-	30,090	523,392
Outgoing Resources	(554,507)	(64,302)	-	(44,201)	(663,010)
Transfer between funds	-	-	-	-	-
As at 1 January 2022	223,936	39,545	2,834	16,866	283,181
Incoming Resources	515,120	78,528	-	53,957	647,605
Outgoing Resources	(599,370)	(56,805)	(800)	(19,677)	(676,652)
Transfer between funds	2,220	-	-	(2,220)	-
As at 31 December 2022	141,906	61,268	2,034	48,926	254,134

Purpose of the Foodbank Fund (formerly Gift Day Fund)

This fund is built up from donations to support the activities of the Foodbank.

At 1 January 2022 the brought forward fund was £39,545. Further gifts of £78,528 were received in the year. Expenditure was £56,805 such that closing funds were £61,268.

Pastoral Help Fund

This fund is available to meet the needs of those in financial difficulties. A balance of £2,834 was brought forward. £800 was gifted in the year leaving a closing balance of £2,034.

Grant Income

Foodbank: The Church brought forward a grant fund of £233 towards the improvement of Foodbank Facilities and this was expended in the year. A brought forward grant to support clients of the Foodbank who were in need of £1,595 was added to by a further £7,000 grant in the year. £6,357 was expended leaving a carried forward balance of £2,238. There was also a balance of £400 brought forward for the purchase of food. A further £5,000 was received in the year and £3,400 was expended leaving a carried forward balance of £2,000. There were also further grants towards the running of the scheme with a brought forward balance of £2,500. Further grants totalling £21,900 were received towards the running of the scheme. £2,500 was utilised in the year, leaving a £21,900 carried forward balance. In the year a grant of £2,000 was received towards motor vehicle costs. £1,305 was spent in the year, leaving a carried forward balance of £695.

17 Movement in funds (cont.)

Grant Income (cont)

Furniture Scheme: The Church holds grant funding designated to fund the running and replacement costs of a Furniture Recycling Scheme van. The opening balance was £9,642. An additional £5,000 was received in the year leaving a closing balance of £14,642. In the year, a grant of £3,000 was received towards the establishment of workshops. £1,569 was expended in the year with the balance of £1,461 carried into 2023.

Other: A number of other grants were utilised as follows. £950 towards the funding of the Soup Kitchen was brought forward and carried forward. £200 towards Youth Work was brought forward and utilised in the year. £994 towards upgrade of the PA systems was brought forward and was utilised in the year. £352 to fund equipment for King's Sports was brought forward and £213 was utilised in the year leaving a balance of £139. Grants of £3,812 were received towards the support of overseas mission work, notably in India and Romania. £1,422 was utilised in the year leaving a balance of £2,390. Grants of £1,315 were received to support the work of Soul Hope Uganda and remains unspent at the end of the year. A grant to replace the floor in one of the halls in the King's Centre of £4,439 was received in the year. £3,489 was expended leaving a carried forward balance of £941. A grant of £500 was received to allow the purchase of books. £215 was utilised in the year leaving a carried forward balance of £285.

Year ended 31 December 2021

	Unrestricted Funds - General Funds	Restricted Funds - Gift Day Fund	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2020	448,808	8,670	2,834	10,242	470,554
Incoming Resources	375,347	82,156	-	95,294	551,797
Outgoing Resources	(484,365)	(44,553)	-	(70,634)	(599,552)
Transfer between funds	2,925	-	-	(2,925)	-
As at 1 January 2021	342,715	46,273	2,834	30,977	422,799
Incoming Resources	435,728	57,574	-	30,090	523,392
Outgoing Resources	(554,507)	(64,302)	-	(44,201)	(663,010)
Transfer between funds	-	-	-	-	-
As at 31 December 2021	223,936	39,545	2,834	16,866	283,181

18 Leases

a) Finance leases - lessee

The only finance lease relates to the purchase of Land and Buildings. The terms of the lease require quarterly instalments of £11,125 to be paid over a 25-year period commencing on 1 April 2006. The building has been valued at £500,000 and interest of £612,500 has been allocated on a sum of digits basis. The capital payment of the lease is due:

	31 December 2022	31 December 2021
	£	£
Within 1 Year	28,952	27,067
Within 2 to 5 Years	134,654	127,115
After 5 Years	131,432	167,924
	295,038	322,106

b) Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Payable	31 December 2022	31 December 2021
	£	£
Not later than one year	369	491
Later than one and not later than five years	-	369
Later than five years	-	-
	369	860

19 Share capital

The company does not have a share capital. In the event of a winding up, every member at that time is required to contribute £1.

20 Reconciliation of net expenditure to net cash flow from operating activities

	Year ended 31 December 2022			Year ended 31 December 2021
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Net (expenditure)/income	(82,030)	52,983	(29,047)	(139,618)
Depreciation charges	98,029	-	98,029	103,824
Interest charge	17,433	-	17,433	19.317
Loss on disposal of fixed assets	129	-	129	755
Decrease/(increase) in debtors	(1,078)	-	(1,078)	3,237
(Increase)/decrease in creditors	1,301	(1)	1,300	(442)
Net cash provided/(used in) operating activities	33,784	52,982	86,766	(12,927)
Year ended 31 December 2021	7,912	(20,839)	(12,927)	

KINGS CHURCH DARLINGTON

England & Wales - Charity number 1113455

Accounts

King's Church Darlington
(A company limited by guarantee)

Report and Financial Statements
For the Year ended 31 December 2021

Company Registration Number: 5670530
Charity Number: 1113455

King's Church Darlington

Financial Statements for the Year ended 31 December 2021

Contents

	Page
Reference and Administrative Information	2
Directors Report	3-9
Independent Examiner's Report to the Members	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flows	13
Notes forming part of the Financial Statements	14-27

King's Church Darlington

Reference and Administrative Information

Charity name:	King's Church Darlington
Company registration number:	5670530
Charity registration number:	1113455
Registered Office and operational address:	The King's Centre Prospect Place Whessoe Road Darlington Co Durham DL3 0QT

Directors and Trustees of the Charity

Mr PJ Hillsdon (resigned 30th September 2021)	
Mr M Coltman (appointed 22nd March 2021)	
Mr RP Davison	Chair
Mr GJ Kennedy	
Mr MA Sowerby	
Mr ST Ward	
Mrs A Cooley (appointed 5th September 2022)	
Mrs J Salt (appointed 5th September 2022)	

Leadership Team

Mr PJ Hillsdon	Lead Elder (resigned 30th September 2021)
Mr M Coltman	Lead Elder (appointed 30th September 2021)
Mrs J Coltman	(appointed 30th September 2021)
Mr RP Davison	Elder
Mrs M Davison	
Mrs S Hillsdon	(resigned 30th September 2021)
Mr GJ Kennedy	Elder
Mrs EA Kennedy	
Mr ST Ward	Elder (resigned 15th May 2022)
Mrs CB Ward	(resigned 15th May 2022)

Company Secretary	Mr MA Sowerby
Independent Examiner	Azets Audit Services, Wynyard Park House, Wynyard Avenue, Wynyard, TS22 5TB
Bankers	Unity Trust Bank, Nine Brindley Place, Birmingham B1 2HB
Solicitors	Close Thornton, 2 Duke Street, Darlington. DL3 7AB

King's Church Darlington
Directors' Report for the Year ended 31 December 2021

The Directors of the charitable company are its Trustees for the purpose of charity law, and throughout the report are collectively referred to as the Trustees.

The Trustees present their report, together with the independently examined financial statements for the year ended 31 December 2021.

The Trustees confirm that the report and financial statements of the charity 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 (FRS102) (effective 1 January 2019)".

Structure, Governance and Management

Governing Document

King's Church Darlington is a company limited by guarantee and registered with the Charity Commission (No.1113455). The company was incorporated on 10 January 2006 and its governing document is the Memorandum and Articles of Association dated 24 November 2005.

Recruitment and Appointment of Board of Trustees

The Church Elders, who are responsible for the day to day running of the Church, appoint the Trustees. The Board of Trustees serving during 2021 were:

Mr M Coltman - Michael has been involved in church leadership for over 15 years, as a youth leader and, for the last 6 years, on the Eldership of a church. Michael was previously leading a church in Ontario Canada before taking the lead elder role at King's Church 2021. Prior to church employment Michael was working in Quality Assurance for EE. He is also a qualified counsellor.

Mr PJ Hillsdon – Phil started in the building industry as a carpenter and joiner where he ran his own construction business with his brother employing 40 people. Already involved in church leadership he attended Bible College in 1996 and moved to Teesside in 1999 to lead the Oakwood Centre. Phil started employment as Main Leader with King's Church in September 2008. He retired from this role on 30 September 2021.

Mr RP Davison – Paul was the Deputy Director for Health Protection North East for Public Health England until his retirement in October 2019. He now has a national role working on environmental public health, sustainability and climate change. He became an elder in June 2009 and his responsibilities at King's Church include leading a worship band and preaching/teaching. Paul is Chair of Trustees.

Mr GJ Kennedy – Graham has been attending Kings Church since 1998, and has been involved in youth work, alpha courses and is part of the worship team. He was made an Elder in 2019. Graham was employed as a lecturer at Bishop Auckland College, where he had worked for over 20 years teaching hospitality and catering. From 1 June 2021 Graham was employed as a full-time elder.

Mr MA Sowerby – Mark has been a member of the Church, and its former Charity since 1993 and has held positions as the Church Accountant and more recently Trustee during that period. He is a Chartered Accountant and works as Group Finance Director in an international Construction Consultancy.

Structure, Governance and Management (continued)

Mr ST Ward – Steve has been a member of the church since its formation and has served in a number of roles including preaching, small group leadership and as head of music. He became an elder of the church in October 2019. He is an experienced IT manager and Business Consultant. Recently retired from full-time employment, he continues to provide business advice and mentoring in a consulting capacity.

Trustee Induction and Training

Most Trustees have previously served in positions of responsibility within churches and Charities. All are familiar with the working of King's Church Darlington, being Church members and holding various positions of responsibility. All Trustees have received a copy of the Memorandum and Articles and are familiar with their contents. M. Sowerby has served as a Director of companies in his professional life and is familiar with the workings of companies and reporting requirements. Trustees make use of Charity commission website to maintain their knowledge of current developments.

Risk Management

The company inherited a valid Risk Assessment from the former Charity. Following the relocation of the Church into the King's Centre in June 2006 a review of risks associated with the property was performed and the Risk Register updated. We were fortunate to be assisted by a Church member whose professional life is very much concerned with carrying out risk assessments for large organisations. A formal review of the risk register is performed on an annual basis.

The Church is advised by a local Insurance Broker who specialises in church matters and who has been able to visit and discuss our changing needs. This has proved invaluable and has enhanced our risk management process.

Organisational Structure

The Trustees hold quarterly Board meetings. Outside of the Board Meetings a number of sub-committees exist to ensure the smooth running of the Church. These committees are chaired by members of the Board and include other members of the Church where appropriate skills are available. The key committees are:

Remuneration Committee – To review all aspects of employee terms and conditions and make recommendations to the Board for approval. Paid members of the Board are not permitted to vote on issues relating to their own remuneration. It is chaired by RP Davison and members during 2021 include M. Sowerby and S. Ward. The Trustees receive no benefits from the Church in their capacity as Trustees and give their time voluntarily. Details of Trustee remuneration and expenses in relation to services as Elders is disclosed in note 9 to the financial statements.

Finance Committee - The finance committee meets, as required, in the two months between board meetings. The group comprises P Hillsdon, M. Coltman, M Sowerby and RP Davison, and monitors the day to day finances of the Church, dealing with financial matters arising between Board Meetings.

Related Parties

The Church is a member of the Evangelical Alliance and is affiliated to a worldwide network of churches known as Newfrontiers.

Objectives and Activities

The charity exists to advance the Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick. Further objectives are the advancement of education on the basis of Christian principles, and to provide or assist in the provision of facilities in the interests of social welfare.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The strategies employed to further our charitable purposes for the public benefit are:

- Sunday worship and other meetings which are held at the King's Centre, Darlington. The building is a former Naafi and carpet warehouse in the Whessoe Road area of Darlington and provides an active and distinctive base within a community in need of social regeneration.
- A network of midweek groups (LIFE Groups), which meet on a weekly basis in various homes. They provide a supportive environment in which members can develop and provide a platform for outreach into the wider community.
- Running courses and carrying out weekly and monthly activities for adults and youth.
- Supporting the work of New Hope Uganda, a charity working within education, medicine and special needs in Uganda.
- The Church operates a Furniture recycling scheme, which receives and collects donated furniture, renovates and stores as required, and delivers to those who purchase.
- The Food bank now supports four other venues as well as the King's Centre base where food is stored and distributed to over 180 people per week over a four-day weekly period.
- King's Sports hosts weekly Pilates classes, using our main hall.
- Regular support and fundraising events for Hope for Justice, a charity with the aim to eradicate human trafficking and slavery.

Achievements and Performance

Covid-19 restrictions in 2021, and subsequent lockdowns, impacted the various social action works we usually undertake.

Our Café remained closed in the first few months of the year, but we operated a meals-on-wheels delivery service, to help those who struggled with preparation and cooking of food. Our average output of meals was approximately 15-20 meals a day.

The Furniture Scheme was completely closed for a significant period of the year.

Many of our staff were furloughed under the UK Government Job Retentions Scheme and a skeleton staff produced various videos, worship music and short talks to encourage those who logged onto our website.

Achievements and Performance (continued)

2021 brought a change in our leadership with the retirement of Philip Hillsdon and with Michael Coltman taking the role of Lead Elder in the Summer of 2021. King's Church would like to thank Phil for his dedication and service to the church over many years.

The church has had to navigate the return to meetings as church, and mid-week groups whilst maintaining the COVID rules and guidelines.

King's foodbank remained open throughout 2021, maintaining the vital service to clients throughout government lockdowns. King's Cafe and Furniture also returned to normal opening times as the year progressed and restrictions from the government eased.

King's Church hired a new youth and children's worker in 2021 with the vision to provide more services for this demographic within our church and for the local community.

Financial Review

The results show a net expenditure of £140k compared to £48k in 2020. This was set against the backdrop of the Covid pandemic. Net expenditure on unrestricted funds of £119k was adverse to that reported in 2020 of £109k, but with the level of government support reduced. The result is after bearing depreciation of £104k such that Unrestricted Earnings before Interest, Tax and Depreciation are negative £15k.

Unrestricted income increased by £60k to £436k with donations up by £50k and trading activities by £10k. Both figures reflect the increased activities in the Church as COVID restriction measures started to ease. We remain grateful to Church members who continue to donate through a difficult period.

Unrestricted costs were also up by £71k at £555k. Part of this related to a reduction of £33k in the level of grant received through the government's job retention scheme, but essentially the cost rise was due to the general increase in meetings and activities from 2020. We continued to adopt a very prudent approach to discretionary expenditure.

Restricted income was £89k below the 2020 levels at £88k. £33k of this related to Government Coronavirus Job Retention Scheme Grant and £24k to other Foodbank donations. The balance related to lower levels of other grants received. Restricted expenditure was down by £6k at £109k. A significant amount of this expenditure was incurred on Foodbank costs.

Closing unrestricted funds were £224k, however this figure includes fixed assets of £426k of which £405k relates to the King's Centre and the related building improvements. The Church has a finance lease liability of £322k, essentially secured against the building. Net current assets, therefore, represent a fairer picture of the day to day health of the Church finances and availability of funds. Unrestricted net current assets are £92k which are down from £159k in 2020.

Closing restricted funds, all held in cash, were £59k of which £31k relates to grant funding carried forward and £46k to Foodbank donations.

Financial Review (cont.)

Key Activities

Outside of normal meetings and activities the Church is investing in four initiatives: the Furniture Scheme, the Café, King's Sports and the Foodbank. The table below summarises the running costs of these activities and how these costs have been funded:

	Furniture Scheme £'000	Café £'000	King's Sports £'000	Foodbank £'000
Costs:				
Salary Costs	49	33	-	70
Other Direct Costs	75	7	-	28
Allocated Overheads	36	24	9	12
	160	**64**	**9**	**110**
Funded by:				
Voluntary Gifts	-	-	-	58
Benefits in Kind	64	-	-	-
Grant income	8	6	-	15
Trading Income	66	29	2	-
Church Funds	22	29	7	37
	160	**64**	**9**	**110**

Allocated overheads represent a share of accommodation costs, based upon space usage and other overhead as relevant. Voluntary gifts are amounts received for the specific activity. Church Funds represents the shortfall in funding from sources of income specific to the activity and is therefore the amount required to be funded from unrestricted Church funds.

Outlook

Despite the uncertainty that remains around COVID, the outlook for 2022 remains reasonably positive with income levels relatively robust and expenditure under control. We remain vigilant to changes in income and cost levels and recognise that 2023 is likely to bring with it recessionary challenges and increases in energy costs.

Principal Funding Sources

The main source of income to the Church is through gifts and donations received from Church members. We are also able to sublet some offices at the Church premises. Incidental income is received through reimbursement for some specific, and more costly Church events. Major capital projects are usually funded from gift days and grants.

Investment Policy

The Church aims to hold minimal levels of cash reserves and thus surplus funds are retained in higher interest deposit accounts.

Financial Review (cont.)

Reserves Policy

The Church Trustees have established a policy of ensuring that the Charity retains a minimum level of cash equivalent to between 2 and 3 months normal expenditure. At 31 December 2021 this target was estimated at between £48k and £72k. Closing unrestricted cash funds at December 2021 were £128k, of which £52k related to a legacy received in 2018. The Trustees are keen to ensure that this legacy is used for the future development of the Church though the training and development of new leaders and leveraging the capacity of the King's Centre facilities in the advancement of the Churches key objectives.

Plans for Future Periods

Whilst the government lockdown measures introduced in early 2021 caused the temporary closure of the King's Centre, many of our activities have gradually started back up through 2021, with new safety measures in place. Through use of government grants and the continued financial support of Church members, the Church has been able to navigate the financial challenges of COVID-19 pandemic.

The ongoing situation is not without its challenges and our foodbank cliental has increased by some 40% since the start of the pandemic. Fortunately, our ability to make full use of the King's Centre has now returned to normal and we are pleased to be able to welcome the charity Safe Families UK to also make use of the building.

God has continued to be faithful and we are excited as a church for all that is to come in 2022 and beyond.

Finally, our focus on the year ahead is to 'Transform Lives and Change Communities' by:

- Continuing to see growth and sustainability in all of the projects mentioned above.
- Use of our facilities to provide a greater diversity with events catering for all ages.
- Raising the finance to accomplish this with the desire of gifting money to worthwhile causes in both the U.K. and Overseas.
- Providing rented office space to the charity Safe Families UK.
- Enhancing our work with the Youth of the Church and the wider Darlington community, through employment of a full time Youth Worker.

Trustees' responsibilities statement

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

Company and charity 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to Independent Examiner

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 8 September 2022 and is signed on their behalf by:

Mr RP Davison
Chair of Trustee

King's Church Darlington
Independent Examiner's report to the trustees of King's Church Darlington

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2021 which are set out on pages 11 to 27.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of *ICAEW* which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Azets Audit Services

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Date: 28/9/2022

King's Church Darlington
Statement of Financial Activities (including Income & Expenditure Account) for the Year ended 31 December 2021

	Notes	Year ended 31 December 2021 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2020 £
Income and endowments from:					
Donation and legacies	2	329,620	87,664	417,284	457,079
Rental income	3	8,000	-	8,000	6,500
Investment income	4	-	-	-	430
Charitable activities					
Church events	5	98,108	-	98,108	87,788
Total income and endowments		435,728	87,664	523,392	551,797
Expenditure on:					
Raising funds	6	3,378	-	3,378	3,111
Costs of generating rental income	6	7,144	-	7,144	6,047
Charitable activities	6	538,447	108,503	646,950	585,338
Governance costs	6	5,538	-	5,538	5,056
Total expenditure		554,507	108,503	663,010	599,552
Net income/(expenditure)	7	(118,779)	(20,839)	(139,618)	(47,755)
Transfer between funds		-	-	-	-
Net movement in funds		(118,779)	(20,839)	(139,618)	(47,755)
Reconciliation of funds					
Funds brought forward		342,715	80,084	422,799	470,554
Total funds carried forward		223,936	59,245	283,181	422,799

The notes on pages 14 to 27 form part of the financial statements.

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.

King's Church Darlington
Balance Sheet as at 31 December 2021

	Notes	31 December 2021 £	£	31 December 2020 £	£
Tangible Fixed Assets	12		426,293		505,778
Current Assets					
Debtors	13	12,894		16,131	
Cash at bank and in hand		187,632		270,153	
		200,526		286,284	
Creditors: amounts falling due within one year	14	(48,599)		(47,157)	
Net Current Assets			151,927		239,127
Total Assets less Current liabilities			578,220		744,905
Creditors: amounts falling due after one year	15		(295,039)		(322,106)
Net Assets			283,181		422,799
Charity Funds					
Unrestricted funds	17		223,936		342,715
Restricted funds	17		59,245		80,084
Total Funds			283,181		422,799

The notes on pages 14 to 27 form part of the financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 28 September 2022 and signed on their behalf by:

.....

Mr MA Sowerby
Trustee

Company Registration number: 5670530 **Charity registration number:** 1113455

King's Church Darlington
Cash Flow Statement for the Year ended 31 December 2021

	Notes	Year ended 31 December 2021 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2020 £
Net cash provided by/(used in) operating activities:	20	7,912	(20,839)	(12,927)	77,166
Cash flows from other sources:					
Proceeds from sale of fixed assets		-	-	-	-
Application of cash:					
Purchase of fixed assets		(25,094)	-	(25,094)	(5,698)
Payment of interest on borrowing		(19,317)	-	(19,317)	(21,202)
Repayment of borrowing		(25,183)	-	(25,183)	(23,298)
Net decrease in cash:		(61,682)	(20,839)	(82,521)	26,948
Cash at the beginning of the year		190,068	80,085	270,153	243,185
Cash at the end of the year		128,386	59,246	187,632	270,153

The notes on pages 14 to 27 form part of the financial statements.

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding financial year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with 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 (FRS102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Church.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

When the restrictions placed on restricted funds have been removed, a transfer is made from restricted funds to unrestricted funds.

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to the particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Church, are recognised when the charity becomes unconditionally entitled to the grant.

- Donated services and facilities are included at the value to the Church where this can be quantified. The value of services provided by volunteers has not been included in these financial statements. The value of food and furniture received and subsequently donated have not been included in these financial statements.

- Rental income is accounted for when it becomes receivable.

- Investment income is included when receivable.

1. Accounting policies (cont.)

- Incoming resources for charitable trading activity are accounted for when they are earned.

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Church earns the right to consideration by its performance.

- For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. Where legacies have been notified to the charity however it is not possible to measure the amount expected to be distributed, the legacy is treated as a contingent asset and disclosed.

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of generating rental income.

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

- Governance costs include the costs associated with meeting constitutional and statutory requirements of the Church and include the independent examiner fees and costs linked to the strategic management of the Church.

- All costs are allocated between the expenditure categories of the Statement of Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated building usage or estimated time committed as set out in note 6.

- Grants payable are accounted for when paid. Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off each asset over their expected useful life:

Music and sound systems	-	25% reducing balance.
Office furniture and equipment	-	25% reducing balance.
Computer equipment	-	50% reducing balance.
Motor vehicles	-	25% reducing balance.
Leasehold improvements	-	10 years straight line from completion.
Property	-	straight line over the term of the lease.

Assets costing less than £250 are not capitalised.

1. Accounting policies (cont.)

(f) Fixed assets (cont)

Depreciation is not provided on assets under construction until the asset is completed. After completion, periodic impairment reviews of the leasehold improvements will be performed.

(g) Gifts in kind

The value of gifts in kind is recognised as income within the financial statements at the point at which the Church is deemed to realise a benefit for the gift. Such income is valued at the estimated market value of the benefit where this can be quantified.

(h) Leases

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(i) Format of financial statements

The trustees have adapted the formats for financial statements set out in The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, to suit the nature of the company's activities. This format remains consistent with SORP (FRS102).

(j) Critical accounting policies

The accounting policies which have the most material impact on the financial statements of the charity relate to fund accounting and treatment of fixed assets. In particular:

- The Church has acquired a property under a long-term lease. See notes 1 (f) and 17. This has the effect of introducing a material asset and loan into the balance sheet.
- The Church has expended significant funds in developing the property. These leasehold improvements are being depreciated over a 10-year period as per note 1(f).
- Details of restricted funds operated by the Church can be found at note 17.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income or expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting policies (cont.)

(l) Exceptions to SORP (FRS102)

The nature of the charity means that Church members will regularly provide the church with their services on a voluntary basis. Examples of the contribution made by volunteers include organisation of events and meetings, and support to the café, food bank, sports facilities and furniture scheme to augment the work of paid employees. As per note 1 (d), these services have not been valued and included as income as the trustees believe that it is impossible to quantify the value of these services and that the inclusion of such an estimate would not add to the understanding of the financial performance of the charity.

The Church operates a Furniture recycling scheme which receives donated second-hand furniture. The furniture is then sold to the community at a nominal fee intended to cover operating costs only. Valuation of the donated goods is not possible and so the Church recognises the gift income and associated cost at the same value as the income actually received when sold. Whilst the Church holds a level of stock at a given time the trustees have chosen not to include the value of the stock in its balance sheet on the basis that it is not possible to value the stock until it has been sold and on the basis that the value is not material to the understanding of the financial statements.

2 Income from donations and legacies

	Year ended 31 December 2021			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2020
	£	£	£	£
Gifts and donations	252,748	57,574	310,322	285,564
Legacies	-	-	-	-
Grants (see note 17)	12,500	30,090	42,590	121,294
Gifts in kind	64,372	-	64,372	50,221
	329,620	87,664	417,284	457,079
Year ended 31 December 2020	280,629	176,450	457,079	

Restricted income represents income gifted for the purposes to support the work of the Foodbank, and grants to support the work of the Foodbank and development of the Furniture Scheme. Restricted grant income also includes £9,640 received under the Government's Coronavirus Job Retention Scheme.

The £12,500 of unrestricted grant income are grants received from the Local Authority to affect organisations impacted by the Coronavirus pandemic.

Gifts in kind represent the value of donated furniture that was sold during the year.

3 Rental income

	Year ended 31 December 2021			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2020
	£	£	£	£
Letting of office facilities	8,000	-	8,000	6,500
	8,000	-	8,000	6,500
Year ended 31 December 2020	6,500	-	6,500	

4 Investment income

	Year ended 31 December 2021			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2020
	£	£	£	£
Bank interest receivable	-	-	-	430
	-	-	-	430
Year ended 31 December 2020	430	-	430	

5 Income from charitable activities – church events

	Year ended 31 December 2021			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2020
Reimbursements for:	£	£	£	£
Youth Activities	210	-	210	579
Events and Training	885	-	885	1,107
Furniture Scheme	65,996	-	65,996	52,312
Café Income	29,256	-	29,256	29,475
King's Sports	1,605	-	1,605	3,353
Other Income	156	-	156	962
	98,108	-	98,108	87,788
Year ended 31 December 2020	87,788	-	87,788	

6 Total expenditure

		Year ended 31 December 2021						
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total	Year ended 31 December 2020
		£	£	£	£	£	£	£
Church Meetings	Direct	-	-	7,633	-	-	7,633	4,582
External Events	Direct	-	-	1,389	-	-	1,389	-
Evangelism & Training	Direct	-	-	4,463	-	-	4,463	1,159
Youth/Children's Work	Direct	-	-	2,585	-	-	2,585	199
Grants to Organisations	Direct	-	-	15,335	-	-	15,335	18,728
Grants to Individuals	Direct	-	-	2,958	-	-	2,958	1,236
Independent Examiners Fees	Direct	-	-	-	2,160	-	2,160	1,945
Furniture Recycled	Direct	-	-	74,902	-	625	75,527	60,849
Café	Direct	-	-	6,868	-	-	6,868	7,870
Foodbank	Direct	-	-	-	-	28,347	28,347	15,432
King's Sports	Direct	-	-	-	-	-	-	1,059
		-	-	116,133	2,160	28,972	147,265	113,059
Staff Costs	Time	2,934	1,467	224,873	2,934	79,531	311,739	310,251
Premises Costs	Usage	-	4,876	157,655	-	-	162,531	128,506
Administration Costs	Time	444	221	21,048	444	-	22,157	26,534
Interest on Finance Lease	Usage	-	580	18,738	-	-	19,318	21,202
		3,378	7,144	538,447	5,538	108,503	663,010	599,552
Year ended 31 December 2020		3,111	6,047	470,151	5,056	115,187	599,552	

Elder and Administrators Staff Costs and Administration Costs have been allocated on the basis of an estimate of time spent by the Elders, Administrator, Furniture Scheme Manager, Foodbank Staff, and Café Manager. Premises costs and the interest on the loan to fund the building purchase have been allocated on the basis of usage of the building. Premises costs include depreciation of Building Improvements of £76,311 (2020: £77,304) and £20,000 for Property (2020: £20,000). The balance of depreciation costs of £7,513 (2020: £7,395) is within administrative costs.

6 Total expenditure (cont.)

Year Ended 31 December 2020

	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total
		£	£	£	£	£	£
Church Meetings	Direct	-	-	4,582	-	-	4,582
External Events	Direct	-	-	-	-	-	-
Evangelism & Training	Direct	-	-	1,159	-	-	1,159
Youth/Children's Work	Direct	-	-	199	-	-	199
Grants to Organisations	Direct	-	-	18,728	-	-	18,728
Grants to Individuals	Direct	-	-	1,236	-	-	1,236
Independent Examiners Fees	Direct	-	-	-	1,945	-	1,945
Furniture Recycled	Direct	-	-	60,849	-	-	60,849
Café	Direct	-	-	7,870	-	-	7,870
Foodbank	Direct	-	-	-	-	15,432	15,432
King's Sports	Direct	-	-	26	-	1,033	1,059
		-	-	94,649	1,945	16,465	113,059
Staff Costs	Time	2,580	1,290	205,079	2,580	98,722	310,251
Premises Costs	Usage	-	3,856	124,650	-	-	128,506
Administration Costs	Time	531	265	25,207	531	-	26,534
Interest on Finance Lease	Usage	-	636	20,566	-	-	21,202
		3,111	6,047	470,151	5,056	115,187	599,552

7 Net incoming resources

Net incoming resources are stated after charging:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Depreciation	103,824	104,698
Independent Examiners Fees	2,160	1,945

8 Staff costs

Staff costs were as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Salaries and wages	277,228	275,249
Social security costs	19,130	18,270
Pension costs	17,476	14,928
	313,834	308,447

No employee earned emoluments of more than £60,000 in a year (2020: none). The Church operates a defined contribution pension scheme which requires the Church to make contributions of 7%, provided that the employees match the 7% contributions. From April 2019 until May 2021 these percentages were both 6%, with the increase to 7% taking effect from June 2021. The contributions made by the Church for the year were £17,476 (2020: £14,928).

The average number of employees during the year, calculated on the basis of full-time equivalents was as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
Church Elder	2.4	1.0
Church Administrator	1.0	1.0
Pastoral Worker	1.0	2.8
Youth Worker	0.2	0.3
Furniture Scheme Worker	2.7	3.0
Café Worker	2.3	2.5
Cleaner	1.0	1.0
Foodbank Staff	4.2	2.5
King's Sports	-	1.0
	14.8	15.1

9 Trustees remuneration and related party transactions

There were three trustees who received remuneration in the year (2020: one) for their services as Elders, as permitted by the Memorandum and Articles of Association. These were the only key management person who received remuneration in the current or previous year. Total emoluments were £102,852 (2020: £53,731), including pension contributions of £6,395 (2020: £3,041).

The highest paid trustee, Mike Coltman, received emoluments in the year of £43,074 (2020: none) including pension contributions of £2,682 (2020: none).

The trustees mentioned above were reimbursed for expenses totalling £2,263 (2020: £1,802). These expenses were incurred performing their duties as Elders, and mainly comprised travelling, hospitality and telephone costs.

In addition to the above, Phil Hillsdon's spouse received emoluments in the year of £4,192 (2020: £5,541) including pension contributions of £254 (2020: £314), for her services as a Pastoral Assistant and Graham Kennedy's spouse received emoluments in the year of £16,264 (2020: £16,694) including pension contributions of £1,007 (2020: £928), for her services as Café Manager. No other Director or other person related to the management of the Church had any personal interest in any contract or transaction entered into by the Charity during the year.

10 Grants made by the Charity

In the year, the Church made charitable grants from unrestricted funds of £18,293 (2020: £19,964) which comprised £15,335 to organisations (2020: £18,728) and £2,958 to individuals (2020: £1,236). The largest gifts were £11,000 towards the works of Christ Central, being the organisation which co-ordinates the subgroup of NewFrontiers to which the Church is affiliated, and £2,400 to Hope for Justice, an organisation which exists to bring an end to modern slavery by rescuing victims, restoring lives, and reforming society.

No grants were made from restricted funds in the year (2020: none).

In all cases gifts were made to further the aims of the charity being to further Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick.

11 Taxation

As a charity, King's Church Darlington is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12 Tangible fixed assets

	Music & Sound System	Office Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Property	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	54,554	65,423	34,029	1,110,345	500,000	1,764,351
Additions	384	6,060	-	18,650	-	25,094
Disposals	-	(385)	-	(3,565)	-	(3,950)
At 31 December 2021	54,938	71,098	34,029	1,125,430	500,000	1,785,495
Depreciation						
At 1 January 2021	45,445	59,443	26,291	832,394	295,000	1,258,573
Charge for the year	2,302	3,276	1,935	76,311	20,000	103,824
Disposals	-	(350)	-	(2,845)	-	(3,195)
At 31 December 2021	47,747	62,369	28,226	905,860	315,000	1,359,202
Net Book Value						
At 31 December 2021	**7,191**	**8,729**	**5,803**	**219,570**	**185,000**	**426,293**
At 31 December 2020	9,109	5,980	7,738	277,951	205,000	505,778

The net book value of assets held under finance lease amounted to £185,000 (2020: £205,000).

13 Debtors

	31 December 2021	31 December 2020
	£	£
Other debtors	4,733	7,779
Prepayments	8,161	8,352
	12,894	16,131

14 Creditors: Amounts falling due within one year

	31 December 2021	31 December 2020
	£	£
Trade creditors	7,056	9,432
Taxation and social security	9,621	8,142
Accruals	4,855	4,400
Finance lease	27,067	25,183
	48,599	47,157

Amounts owed under finance lease are secured by the assets to which they relate.

15 Creditors: amounts falling due after one year

	31 December 2021	31 December 2020
	£	£
Finance lease	295,039	322,106

On 18th January 2007, the company entered into an arrangement to purchase a property. The terms of the arrangement were to pay monthly instalments of £3,708 over a 25-year period, at which point the company has the option to purchase the freehold for a nominal amount. The agreement was backdated to 1 April 2006.

Amounts owed under finance lease are secured by the assets to which they relate.

16 Analysis of net assets between funds

Year ended 31 December 2021

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	426,293	-	426,293
Current assets	141,281	59,245	200,526
Current liabilities	(48,599)	-	(48,599)
Long-term liabilities	(295,039)	-	(295,039)
Net assets at 31 December 2021	223,936	59,245	283,181

Year ended 31 December 2020

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	505,778	-	505,778
Current assets	206,200	80,084	286,284
Current liabilities	(47,157)	-	(47,157)
Long-term liabilities	(322,106)	-	(322,106)
Net assets at 31 December 2020	342,715	80,084	422,799

17 Movement in funds

Year ended 31 December 2021

	Unrestricted Funds - General Funds	Restricted Funds - Gift Day Fund	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2020	448,808	8,670	2,834	10,242	470,554
Incoming Resources	375,347	82,156	-	94,294	551,797
Outgoing Resources	(484,365)	(44,553)	-	(70,634)	(599,552)
Transfer between funds	2,925	-	-	(2,925)	-
As at 1 January 2021	342,715	46,273	2,834	30,977	422,799
Incoming Resources	435,728	57,574	-	30,090	523,392
Outgoing Resources	(554,507)	(64,302)	-	(44,201)	(663,010)
Transfer between funds	-	-	-	-	-
As at 31 December 2021	223,936	39,545	2,834	16,866	283,181

Purpose of the Gift Day Fund

This fund is built up from gift days held the Church to fund specific activities and grants to be paid. It is supplemented by adhoc donations to the Church to fund these specific activities.

At 1 January 2021 the brought forward fund included £46,273 collected towards the works of the Foodbank. Further gifts of £57,574 were received specifically towards the Food Bank costs. Expenditure incurred by the Foodbank was £64,302 such that closing funds were £39,545.

Pastoral Help Fund (formerly Poverty Relief Fund)

This fund is available to meet the needs of those in financial difficulties. A balance of £2,834 was brought forward and remained unutilised in the year.

Grant Income

Foodbank: The Church brought forward a grant fund of £3,799 towards the improvement of Foodbank Facilities. £3,566 was expended to leave a closing balance of £233. A brought forward grant to support clients of the Foodbank who were in need of £3,398 was added to by a further £3,000 grant in the year. £4,803 was expended leaving a carried forward balance of £1,595. There was also a balance of £3,411 brought forward for the purchase of food. A further £400 was received in the year and £3,411 was expended leaving a carried forward balance of £400. There were also further grants towards the running of the scheme with a brought forward balance of £13,032. Further grants totalling £11,500 were received towards the running of the scheme. £22,032 was utilised in the year, leaving a £2,500 carried forward balance.

Furniture Scheme: The Church holds grant funding designated to fund the running costs of a Furniture Recycling Scheme van. The opening balance was £4,717. An additional £5,550 was received and £625 was utilised in the year leaving a closing balance of £9,642.

17 Movement in funds (cont.)

Other: A brought forward grant of £125 to replace kitchen appliances was utilised in the year. A number of brought forward funds remained unchanged in the year. £950 towards the funding of the Soup Kitchen, £200 towards Youth Work, £994 towards upgrade of the PA systems and £352 to fund equipment for King's Sports.

The Church received government grants under the Coronavirus Job Retention Scheme totalling £9,640 and these were fully utilised in the year.

Year ended 31 December 2020

	Unrestricted Funds - General Funds	Restricted Funds - Gift Day Fund	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2019	545,638	12,521	4,184	10,934	573,277
Incoming Resources	501,325	42,417	-	8,700	552,442
Outgoing Resources	(607,306)	(46,268)	(1,350)	(241)	(655,165)
Transfer between funds	9,151	-	-	(9,151)	-
As at 1 January 2020	448,808	8,670	2,834	10,242	470,554
Incoming Resources	375,347	82,156	-	95,294	551,797
Outgoing Resources	(484,365)	(44,553)	-	(70,634)	(599,552)
Transfer between funds	2,925	-	-	(2,925)	-
As at 31 December 2020	342,715	46,273	2,834	30,977	422,799

18 Leases

a) Finance leases - lessee

The only finance lease relates to the purchase of Land and Buildings. The terms of the lease require quarterly instalments of £11,125 to be paid over a 25-year period commencing on 1 April 2006. The building has been valued at £500,000 and interest of £612,500 has been allocated on a sum of digits basis. The capital payment of the lease is due:

	31 December 2021 £	31 December 2020 £
Within 1 Year	27,067	25,183
Within 2 to 5 Years	127,115	119,577
After 5 Years	167,924	202,529
	322,106	347,289

18 Leases (cont.)

b) Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Payable	31 December 2021	31 December 2020
	£	£
Not later than one year	491	491
Later than one and not later than five years	369	860
Later than five years	-	-
	860	1,351

19 Share capital

The company does not have a share capital. In the event of a winding up, every member at that time is required to contribute £1.

20 Reconciliation of net expenditure to net cash flow from operating activities

	Year ended 31 December 2021			Year ended 31 December 2020
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Net (expenditure)/income	(118,779)	(20,839)	(139,618)	(47,755)
Depreciation charges	103,824	-	103,824	104,700
Interest charge	19.317	-	19.317	21,202
Loss on disposal of fixed assets	755	-	755	-
Decrease/(increase) in debtors	3,237	-	3,237	(2,107)
(Increase)/decrease in creditors	(442)	-	(442)	1,126
Net cash provided/(used in) operating activities	7,912	(20,839)	(12,927)	77,166
Year ended 31 December 2020	18,828	58,338	77,166	

KINGS CHURCH DARLINGTON

England & Wales - Charity number 1113455

Accounts

King's Church Darlington
(A company limited by guarantee)

Report and Financial Statements
For the Year ended 31 December 2020

Company Registration Number: 5670530
Charity Number: 1113455

King's Church Darlington

Financial Statements for the Year ended 31 December 2020

Contents

	Page
Reference and Administrative Information	2
Directors Report	3-9
Independent Examiner'sReport to the Members	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flows	13
Notes forming part of the Financial Statements	14-27

King's Church Darlington

Reference and Administrative Information

Charity name:	King's Church Darlington
Company registration number:	5670530
Charity registration number:	1113455
Registered Office and operational address:	The King's Centre Prospect Place Whessoe Road Darlington Co Durham DL3 0QT

Directors and Trustees of the Charity

Mr PJ Hillsdon	Chair
Mr M Coltman (appointed 22nd March 2021)	
Mr RP Davison	
Mr GJ Kennedy	
Mrs C Salt (resigned 30th September 2020)	
Mr MA Sowerby	
Mrs CB Ward (resigned 20th October 2020)	
Mr ST Ward	

Leadership Team

Mr PJ Hillsdon	Lead Elder
Mr M Coltman	Elder
Mrs J Coltman	
Mr RP Davison	Elder
Mrs. M Davison	
Mrs. S Hillsdon	
Mr GJ Kennedy	Elder
Mrs EA Kennedy	
Mr ST Ward	Elder
Mrs CB Ward	

Company Secretary	Mr M.A.Sowerby
Independent Examiner	Azets Audit Services, Wynyard Park House, Wynyard Avenue, Wynyard, TS22 5TB
Bankers	Unity Trust Bank, Nine Brindley Place, Birmingham B1 2HB
Solicitors	Close Thornton, 2 Duke Street, Darlington. DL3 7AB

King's Church Darlington
Directors' Report for the Year ended 31 December 2020

The Directors of the charitable company are its Trustees for the purpose of charity law, and throughout the report are collectively referred to as the Trustees.

The Trustees present their report, together with the independently examined financial statements for the year ended 31 December 2020.

The Trustees confirm that the report and financial statements of the charity 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 (FRS102) (effective 1 January 2019)".

Structure, Governance and Management

Governing Document

King's Church Darlington is a company limited by guarantee and registered with the Charity Commission (No.1113455). The company was incorporated on 10 January 2006 and its governing document is the Memorandum and Articles of Association dated 24 November 2005.

Recruitment and Appointment of Board of Trustees

The Church Elders, who are responsible for the day to day running of the Church, appoint the Trustees. The Board of Trustees serving during 2020 were:

Mr P. Hillsdon - Phil started in the building industry as a carpenter and joiner where he ran his own construction business with his brother employing 40 people. Already involved in church leadership he attended Bible College in 1996 and moved to Teesside in 1999 to lead the Oakwood Centre. Phil started employment as Main Leader with King's Church in September 2008.

Mr R.P. Davison – Paul was the Deputy Director for Health Protection North East for Public Health England until his retirement in October 2019. He now has a national role working on environmental public health, sustainability and climate change. He became an elder in June 2009 and his responsibilities at King's Church include leading a worship band and preaching/teaching. Paul is Chair of Trustees,

Mr G. Kennedy - Graham has been attending Kings Church since 1998, and has been involved in youth work, alpha courses and is part of the worship team. He was made an Elder in 2019. Graham is employed as a lecturer at Bishop Auckland College, where he has worked for over 20 years teaching hospitality and catering.

Mrs C.M. Salt – Carolyn has been part of King's Church since moving to Darlington in 2010. Carolyn is a Chartered member of CIPD and has worked as a Human Resources Manager for over 15 years in the Education Sector. She has also previously been a Director of a small Christian charity organisation, where she took on the role of Operations Manager.

Mr M.A. Sowerby – Mark has been a member of the Church, and its former Charity since 1993 and has held positions as the Church Accountant and more recently Trustee during that period. He is a Chartered Accountant and works as Group Finance Director in an international Construction Consultancy.

Mrs C.B. Ward - Becky has been a member of King's Church since its formation. During this time, she has volunteered in many areas of church life including a period leading the Junior Church and as a member of the extended leadership team. She is a trained teacher who has, most recently, spent around 14 years working in the charity sector for both an established national charity and a smaller start up charity.

Structure, Governance and Management (continued)

Mr S.T. Ward - Steve has been a member of the church since its formation and has served in a number of roles including preaching, small group leadership and as head of music. He became an elder of the church in October 2019. He is an experienced IT manager and Business Consultant. Recently retired from full-time employment, he continues to provide business advice and mentoring in a consulting capacity.

Trustee Induction and Training

Most Trustees have previously served in positions of responsibility within churches and Charities. All are familiar with the working of King's Church Darlington, being Church members and holding various positions of responsibility. All Trustees have received a copy of the Memorandum and Articles and are familiar with their contents. M. Sowerby has served as a Director of companies in his professional life and is familiar with the workings of companies and reporting requirements. Trustees make use of Charity commission website to maintain their knowledge of current developments.

Risk Management

The company inherited a valid Risk Assessment from the former Charity. Following the relocation of the Church into the King's Centre in June 2006 a review of risks associated with the property was performed and the Risk Register updated. We were fortunate to be assisted by a Church member whose professional life is very much concerned with carrying out risk assessments for large organisations. A formal review of the risk register is performed on an annual basis.

The Church is advised by a local Insurance Broker who specialises in church matters and who has been able to visit and discuss our changing needs. This has proved invaluable and has enhanced our risk management process.

Organisational Structure

The Trustees hold quarterly Board meetings. Outside of the Board Meetings a number of sub-committees exist to ensure the smooth running of the Church. These committees are chaired by members of the Board and include other members of the Church where appropriate skills are available. The key committees are:

Remuneration Committee – To review all aspects of employee terms and conditions and make recommendations to the Board for approval. Paid members of the Board are not permitted to vote on issues relating to their own remuneration. It is chaired by R.P. Davison and members during 2020 include C.M. Salt, C.B. Ward, and M. Sowerby. The Trustees receive no benefits from the Church in their capacity as Trustees and give their time voluntarily. Details of Trustee remuneration and expenses in relation to services as Elders is disclosed in note 9 to the financial statements.

Finance Committee - The finance committee meets, as required, in the two months between board meetings. The group comprises P. Hillsdon, M. Sowerby and P. Davison, and monitors the day to day finances of the Church, dealing with financial matters arising between Board Meetings.

Related Parties

The Church is a member of the Evangelical Alliance and is affiliated to a worldwide network of churches known as Newfrontiers.

Objectives and Activities

The charity exists to advance the Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick. Further objectives are the advancement of education on the basis of Christian principles, and to provide or assist in the provision of facilities in the interests of social welfare.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The strategies employed to further our charitable purposes for the public benefit are:

- Sunday worship and other meetings which are held at the King's Centre, Darlington. The building is a former Naafi and carpet warehouse in the Whessoe Road area of Darlington and provides an active and distinctive base within a community in need of social regeneration.
- A network of midweek groups (Connect Groups), which meet on a weekly basis in various homes. They provide a supportive environment in which members can develop and provide a platform for outreach into the wider community.
- Running courses and carrying out weekly and monthly activities for adults and youth.
- Supporting the work of New Hope Uganda, a charity working within education, medicine and special needs in Uganda.
- The Church operates a Furniture recycling scheme, which receives and collects donated furniture, renovates and stores as required, and delivers to those who purchase.
- The Food bank now supports four other venues as well as the King's Centre base where food is stored and distributed to over 100 people per week over a four-day weekly period.
- King's Sports now provides sports facilities available to rent and delivers the Church's own football academy for children from 4-11 years old.
- Regular support and fundraising events for Hope for Justice, a charity with the aim to eradicate human trafficking and slavery.

Achievements and Performance

Due to Covid-19 in 2020, and subsequent lockdowns, the various social action works we usually undertake were severely curtailed from March. However, our Foodbank continued to operate and the need for food increased substantially. Local council and government grants helped considerably, and we were able to supply all who came with food, hygiene products and encouragement.

Our Café closed, but we operated a meals-on-wheels delivery service, to help those who struggled with preparation and cooking of food. Our average output of meals was approximately 15-20 meals a day.

The Furniture Scheme was completely closed for significant periods in the year.

Many of our staff were furloughed under the UK Government Job Retentions Scheme and a skeleton staff produced various videos, worship music and short talks to encourage those who logged onto our website.

Achievements and Performance (continued)

Our main Sunday gatherings were also closed and this substantially reduced our regular church gift receipts.

2020 was definitely a year like no other and which we hope never repeats itself.

Financial Review

The results show a net expenditure of £48k compared to £103k in 2019. This was set against the backdrop of the Covid pandemic. It is also worth noting that the net expenditure on unrestricted funds of £109k was very close to the £106k reported in 2019. The result is after depreciation of £105k such that Earnings before Interest, Tax and Depreciation are a small negative of £4k.

Unrestricted income reduced by £126k to £375k with donations down by £54k and trading activities by £71k. Both figures reflect the reduced activities in the Church during the year and also the Covid enforced closure of the Café, Furniture Scheme and Sports activities for prolonged periods. We were grateful to Church members who continued to donate through a difficult year and to the local council who provided £27k of grant funding.

Unrestricted costs were down by £123k at £484k. Whilst salary costs were up by £24k, reflecting the full year impact of headcount increases in the previous year, premises costs were down by £24k and Furniture recycled by £38k. A large element of the cost reduction was due to the generally low level of meetings and the fact that a very prudent approach was adopted to discretionary expenditure.

Restricted income was £125k higher than 2019 at £176k. £47k of this related to Government Coronavirus Job Retention Scheme Grant and £40k to higher Foodbank donations. Grant income was also up by £38k with much of the increase being due to Foodbank related activities. Restricted expenditure was up by £67k at £115k. A significant amount of this expenditure was incurred on Foodbank costs. £3k of expenditure was spent on capital items and, the designated purpose of these funds having been discharged, the capital assets were transferred to unrestricted funds.

Closing unrestricted funds were £343k, however this figure includes fixed assets of £506k of which £483k relates to the King's Centre and the related building improvements. The Church has finance lease liability of £347k, essentially secured against the building. Net current assets, therefore, represent a fairer picture of the day to day health of the Church finances and availability of funds. Unrestricted net current assets are £159k which are down from £192k in 2019.

Closing restricted funds, all held in cash, were £80k of which £31k relates to grant funding carried forward and £46k to Foodbank donations.

Financial Review (cont.)

Key Activities

Outside of normal meetings and activities the Church is investing in four initiatives; the Furniture Scheme, the Café, King's Sports and the Foodbank. The table below summarises the running costs of these activities and how these costs have been funded:

	Furniture Scheme £'000	Café £'000	King's Sports £'000	Foodbank £'000
Costs:				
Salary Costs	46	36	8	57
Other Direct Costs	61	8	1	15
Allocated Overheads	30	20	24	11
	137	**64**	**33**	**83**
Funded by:				
Voluntary Gifts	-	-	-	35
Benefits in Kind	50	-	-	-
Grant income	8	9	3	48
Trading Income	52	29	3	-
Church Funds	27	26	27	-
	137	**64**	**33**	**83**

Allocated overheads represent a share of accommodation costs, based upon space usage and other overhead as relevant. Voluntary gifts are amounts received for the specific activity. Church Funds represents the shortfall in funding from sources of income specific to the activity and is therefore the amount required to be funded from unrestricted Church funds.

Outlook

The outlook for 2021 remains relatively positive with income levels reasonably robust, expenditure under control and early signs that Government Covid measures will relax as the year progresses.

Principal Funding Sources

The main source of income to the Church is through gifts and donations received from Church members. We are also able to sublet some offices at the Church premises. Incidental income is received through reimbursement for some specific, and more costly Church events. Major capital projects are usually funded from gift days and grants.

Investment Policy

The Church aims to hold minimal levels of cash reserves and thus surplus funds are retained in higher interest deposit accounts.

Financial Review (cont.)

Reserves Policy

The Church Trustees have established a policy of ensuring that the Charity retains a minimum level of cash equivalent to between 2 and 3 months normal expenditure. At 31 December 2020 this target was estimated at between £50k and £80k. Closing unrestricted cash funds at December 2020 were £190k, of which £87k related to a legacy received in 2018. The Trustees are keen to ensure that this legacy is used for the future development of the Church though the training and development of new leaders and leveraging the capacity of the King's Centre facilities in the advancement of the Churches key objectives.

Plans for Future Periods

Whilst the government lockdown measures introduced in 2020 and early 2021 caused the temporary closure of the King's Centre, many of our activities have gradually started back up through 2021, with new safety measures in place. Through use of the government grants and the continued financial support of Church members, the Church has been able to navigate the financial challenges of COVID-19 pandemic.

The ongoing situation is not without its challenges and our foodbank cliental has increased by some 40% since the start of the pandemic. Fortunately, our ability to make full use of the King's Centre has now returned to normal and we are pleased to be able to welcome the charity Safe Families UK to also make use of the building.

God has continued to be faithful and we are excited as a church for all that is to come through the remainder of 2021 and into 2022.

Finally, our focus on the year ahead is to 'Transform Lives and Change Communities' by:

- Continuing to see growth in all of the projects mentioned above.
- Use of our facilities to provide a greater diversity with events catering for all ages.
- Raising the finance to accomplish this with the desire of gifting money to worthwhile causes in both the U.K. and Overseas.
- Providing rented office space to the charity Safe Families UK.
- Enhancing our work with the Youth of the Church and the wider Darlington community, through employment of a full time Youth Worker.

King's Church Darlington
Directors' Report for the Year ended 31 December 2020

Trustees' responsibilities statement

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

Company and charity 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

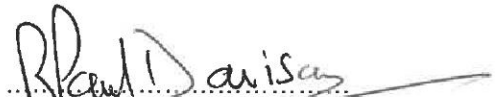
Statement of disclosure to Independent Examiner

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 26th September 2021 and is signed on their behalf by:



Mr P. Davison
Chair of Trustee

King's Church Darlington
Independent Examiner's report to the trustees of King's Church Darlington

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 11 to 27.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of *ICAEW* which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Azets Audit Services

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Date: 28/9/2021

King's Church Darlington
Statement of Financial Activities (including Income & Expenditure Account) for the Year ended 31 December 2020

	Notes	Year ended 31 December 2020 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2019 £
Income and endowments from:					
Donation and legacies	2	280,629	176,450	457,079	386,624
Rental income	3	6,500	-	6,500	6,500
Investment income	4	430	-	430	830
Charitable activities					
Church events	5	87,788	-	87,788	158,488
Total income and endowments		375,347	176,450	551,797	552,442
Expenditure on:					
Raising funds	6	3,111	-	3,111	3,527
Costs of generating rental income	6	6,047	-	6,047	7,055
Charitable activities	6	470,151	115,187	585,338	638,324
Governance costs	6	5,056	-	5,056	6,259
Total expenditure		484,365	115,187	599,552	655,165
Net income/(expenditure)	7	(109,018)	61,263	(47,755)	(102,723)
Transfer between funds		2,925	(2,925)	-	-
Net movement in funds		(106,093)	58,338	(47,755)	(102,723)
Reconciliation of funds					
Funds brought forward		448,808	21,746	470,554	573,277
Total funds carried forward		342,715	80,084	422,799	470,554

The notes on pages 14 to 27 form part of the financial statements.

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.

King's Church Darlington
Balance Sheet as at 31 December 2020

	Notes	31 December 2020 £	£	31 December 2019 £	£
Tangible Fixed Assets	12		505,778		604,780
Current Assets					
Debtors	13	16,131		14,024	
Cash at bank and in hand		270,153		243,185	
		286,284		257,209	
Creditors: amounts falling due within one year	14	(47,157)		(44,146)	
Net Current Assets			239,127		213,063
Total Assets less Current liabilities			744,905		817,843
Creditors: amounts falling due after one year	15		(322,106)		(347,289)
Net Assets			422,799		470,554
Charity Funds					
Unrestricted funds	17		342,715		448,808
Restricted funds	17		80,084		21,746
Total Funds			422,799		470,554

The notes on pages 14 to 27 form part of the financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 26th September 2021 and signed on their behalf by:

.....

Mr M.A. Sowerby
Trustee

Company Registration number: 5670530 **Charity registration number:** 1113455

King's Church Darlington
Cash Flow Statement for the Year ended 31 December 2020

	Notes	Year ended 31 December 2020 Unrestricted Funds £	Restricted Funds £	Total Funds £	Year ended 31 December 2019 £
Net cash provided by/(used in) operating activities:	20	18,828	58,338	77,166	35,861
Cash flows from other sources:					
Proceeds from sale of fixed assets		-	-	-	-
Application of cash:					
Purchase of fixed assets		(5,698)	-	(5,698)	(12,252)
Payment of interest on borrowing		(21,202)	-	(21,202)	(23,089)
Repayment of borrowing		(23,298)	-	(23,298)	(21,413)
Net decrease in cash:		(31,370)	58,338	26,968	(20,893)
Cash at the beginning of the year		221,438	21,747	243,185	264,078
Cash at the end of the year		190,068	80,085	270,153	243,185

The notes on pages 14 to 27 form part of the financial statements.

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding financial year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with 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 (FRS102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Church.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

When the restrictions placed on restricted funds have been removed, a transfer is made from restricted funds to unrestricted funds.

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to the particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Church, are recognised when the charity becomes unconditionally entitled to the grant.

- Donated services and facilities are included at the value to the Church where this can be quantified. The value of services provided by volunteers has not been included in these financial statements. The value of food and furniture received and subsequently donated have not been included in these financial statements.

- Rental income is accounted for when it becomes receivable.

- Investment income is included when receivable.

1. Accounting Policies (cont.)

- Incoming resources for charitable trading activity are accounted for when they are earned.

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Church earns the right to consideration by its performance.

- For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. Where legacies have been notified to the charity however it is not possible to measure the amount expected to be distributed, the legacy is treated as a contingent asset and disclosed.

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of generating rental income.

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

- Governance costs include the costs associated with meeting constitutional and statutory requirements of the Church and include the independent examiner fees and costs linked to the strategic management of the Church.

- All costs are allocated between the expenditure categories of the Statement of Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated building usage or estimated time committed as set out in note 6.

- Grants payable are accounted for when paid. Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off each asset over their expected useful life:

Music and sound systems	-	25% reducing balance.
Office furniture and equipment	-	25% reducing balance.
Computer equipment	-	50% reducing balance.
Motor vehicles	-	25% reducing balance.
Leasehold improvements	-	10 years straight line from completion.
Property	-	straight line over the term of the lease.

Assets costing less than £250 are not capitalised.

1. Accounting Policies (cont.)

(f) Fixed assets (cont)

Depreciation is not provided on assets under construction until the asset is completed. After completion, periodic impairment reviews of the leasehold improvements will be performed.

(g) Gifts in kind

The value of gifts in kind is recognised as income within the financial statements at the point at which the Church is deemed to realise a benefit for the gift. Such income is valued at the estimated market value of the benefit where this can be quantified.

(h) Leases

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(i) Format of financial statements

The trustees have adapted the formats for financial statements set out in The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, to suit the nature of the company's activities. This format remains consistent with SORP (FRS102).

(j) Critical accounting policies

The accounting policies which have the most material impact on the financial statements of the charity relate to fund accounting and treatment of fixed assets. In particular:

- The Church has acquired a property under a long-term lease. See notes 1 (f) and 17. This has the effect of introducing a material asset and loan into the balance sheet.
- The Church has expended significant funds in developing the property. These leasehold improvements are being depreciated over a 10-year period as per note 1(f).
- Details of restricted funds operated by the Church can be found at note 17.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income or expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting Policies (cont.)

(l) Exceptions to SORP (FRS102)

The nature of the charity means that Church members will regularly provide the church with their services on a voluntary basis. Examples of the contribution made by volunteers include organisation of events and meetings, and support to the café, food bank, sports facilities and furniture scheme to augment the work of paid employees. As per note 1 (d), these services have not been valued and included as income as the trustees believe that it is impossible to quantify the value of these services and that the inclusion of such an estimate would not add to the understanding of the financial performance of the charity.

The Church operates a Furniture recycling scheme which receives donated second-hand furniture. The furniture is then sold to the community at a nominal fee intended to cover operating costs only. Valuation of the donated goods is not possible and so the Church recognises the gift income and associated cost at the same value as the income actually received when sold. Whilst the Church holds a level of stock at a given time the trustees have chosen not to include the value of the stock in its balance sheet on the basis that it is not possible to value the stock until it has been sold and on the basis that the value is not material to the understanding of the financial statements.

2 Income from donations and legacies

	Year ended 31 December 2020			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2019
	£	£	£	£
Gifts and donations	203,408	82,156	285,564	298,350
Legacies	-	-	-	-
Grants (see note 17)	27,000	94,294	121,294	8.700
Gifts in kind	50,221	-	50,221	79,574
	280,629	176,450	457,079	386,624
Year ended 31 December 2019	335,507	51,117	386,624	

Restricted income represents income gifted for the purposes to support the work of the Foodbank, and grants to support the work of the Foodbank and development of the Furniture Scheme. Restricted grant income also include £41,471 received under the Government's Coronavirus Job Retention Scheme.

The £27,000 of unrestricted grant income are grants received from the Local Authority to affect organisations impacted by the Coronavirus pandemic.

Gifts in kind represent the value of donated furniture that was sold during the year.

3 Rental income

	Year ended 31 December 2020			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2019
	£	£	£	£
Letting of office facilities	6,500	-	6,500	6,500
	6,500	-	6,500	6,500
Year ended 31 December 2019	6,500	-	6,500	

4 Investment income

	Year ended 31 December 2020			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2019
	£	£	£	£
Bank interest receivable	430	-	430	830
	430	-	430	830
Year ended 31 December 2019	830	-	830	

5 Income from charitable activities – church events

	Year ended 31 December 2020			Year ended
	Unrestricted Funds	Restricted Funds	Total Funds	31 December 2019
Reimbursements for:	£	£	£	£
Youth Activities	579	-	579	2,375
Events and Training	1,107	-	1,107	9,564
Furniture Scheme	52,312	-	52,312	82,949
Café Income	29,475	-	29,475	46,103
King's Sports	3,353	-	3,353	14,849
Other Income	962	-	962	2,648
	87,788	-	87,788	158,488
Year ended 31 December 2019	158,488	-	158,488	

6 Total expenditure

		Year ended 31 December 2020						
	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total	Year ended 31 December 2019
		£	£	£	£	£	£	£
Church Meetings	Direct	-	-	4,582	-	-	4,582	14,164
External Events	Direct	-	-	-	-	-	-	2,321
Evangelism & Training	Direct	-	-	1,159	-	-	1,159	6,021
Youth/Children's Work	Direct	-	-	199	-	-	199	3,777
Grants to Organisations	Direct	-	-	18,728	-	-	18,728	22,817
Grants to Individuals	Direct	-	-	1,236	-	-	1,236	7,669
Independent Examiners Fees	Direct	-	-	-	1,945	-	1,945	2,732
Furniture Recycled	Direct	-	-	60,849	-	-	60,849	97,891
Café	Direct	-	-	7,870	-	-	7,870	11,713
Foodbank	Direct	-	-	-	-	15,432	15,432	2,354
King's Sports	Direct	-	-	26	-	1,033	1,059	589
		-	-	94,649	1,945	16,465	113,059	172,048
Staff Costs	Time	2,580	1,290	205,079	2,580	98,722	310,251	275,912
Premises Costs	Usage	-	3,856	124,650	-	-	128,506	153,325
Administration Costs	Time	531	265	25,207	531	-	26,534	30,793
Interest on Finance Lease	Usage	-	636	20,566	-	-	21,202	23,087
		3,111	6,047	470,151	5,056	115,187	599,552	655,165
Year ended 31 December 2019		3,527	7,055	590,465	6,259	47,859	655,165	

Elder and Administrators Staff Costs and Administration Costs have been allocated on the basis of an estimate of time spent by the Elder, Administrator, Furniture Scheme Manager, Foodbank Staff, and Café Manager. Premises costs and the interest on the loan to fund the building purchase have been allocated on the basis of usage of the building.

Premises costs include depreciation of Building Improvements of £77,304 (2019: £84,024) and £20,000 for Property (2019: £20,000). The balance of depreciation costs of £7,395 (2019: £9,506) is within Administrative costs.

6 Total expenditure (cont.)

Year Ended 31 December 2019

	Basis of Allocation	Raising Funds	Rental Income	Church Activities	Governance	Restricted Fund	Total
		£	£	£	£	£	£
Church Meetings	Direct	-	-	14,164	-	-	14,164
External Events	Direct	-	-	2,321	-	-	2,321
Evangelism & Training	Direct	-	-	6,021	-	-	6,021
Youth/Children's Work	Direct	-	-	3,773	-	4	3,777
Grants to Organisations	Direct	-	-	18,884	-	3,933	22,817
Grants to Individuals	Direct	-	-	6,319	-	1,350	7,669
Independent Examiners Fees	Direct	-	-	-	2,732	-	2,732
Furniture Recycled	Direct	-	-	97,653	-	238	97,891
Café	Direct	-	-	11,713	-	-	11,713
Foodbank	Direct	-	-	-	-	2,354	2,354
King's Sports	Direct	-	-	589	-	-	589
		-	-	161,437	2,732	7,879	172,048
Staff Costs	Time	2,911	1,455	228,655	2,911	39,980	275,912
Premises Costs	Usage	-	4,600	148,725	-	-	153,325
Administration Costs	Time	616	307	29,254	616	-	30,793
Interest on Finance Lease	Usage	-	693	22,394	-	-	23,087
		3,527	7,055	590,465	6,259	47,859	655,165

7 Net Incoming Resources

Net incoming resources are stated after charging:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Depreciation	104,698	113,530
Independent Examiners Fees	1,945	2,196

8 Staff Costs

Staff costs were as follows:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Salaries and wages	275,249	247,039
Social security costs	18,270	16,308
Pension costs	14,928	13,224
	308,447	276,571

No employee earned emoluments of more than £60,000 in a year (2019: none). The Church operates a defined contribution pension scheme which requires the Church to make contributions of 6%, provided that the employees match the 6% contributions. From April 2018 until March 2019 these percentages were both 5%, with the increase to 6% taking effect from April 2019. The contributions made by the Church for the year were £14,928 (2019: £13,224).

The average number of employees during the year, calculated on the basis of full-time equivalents was as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
Church Elder	1.0	1.8
Church Administrator	1.0	1.0
Pastoral Worker	2.8	2.0
Youth Worker	0.3	0.3
Furniture Scheme Worker	3.0	2.0
Café Worker	2.5	2.5
Cleaner	1.0	1.0
Foodbank Staff	2.5	2.5
King's Sports	1.0	0.7
	15.1	13.8

9 Trustees Remuneration and Related Party Transactions

There was only one trustee who received remuneration in the year (2019: two) for their services as Elders, as permitted by the Memorandum and Articles of Association. This was the only key management person who received remuneration in the current or previous year. Total emoluments were £53,731 (2019: £65,374), including pension contributions of £3,041 (2019: £2,902).

The highest paid trustee, Phil Hillsdon, received emoluments in the year of £53,731 (2019: £53,331) including pension contributions of £3,041 (2019: £2,902). Phil Hillsdon's spouse received emoluments in the year of £5,541 (2019: £5,500) including pension contributions of £314 (2019: £299), for her services as a Pastoral Assistant.

The trustees mentioned above were reimbursed for expenses totalling £1,802 (2019: £5,950). These expenses were incurred performing their duties as Elders, and mainly comprised travelling, hospitality and telephone costs.

In addition to the above, Graham Kennedy's spouse received emoluments in the year of £16,694 (2019: £16,283) including pension contributions of £928 (2019: £886), for her services as Café Manager. No other Director or other person related to the management of the Church had any personal interest in any contract or transaction entered into by the Charity during the year.

10 Grants Made by the Charity

In the year, the Church made charitable grants from unrestricted funds of £19,964 (2019: £25,203) which comprised £18,728 to organisations (2019: £18,884) and £1,236 to individuals (2019: £6,319). The largest gifts were £12,000 towards the works of Christ Central, being the organisation which co-ordinates the subgroup of NewFrontiers to which the Church is affiliated, and £2,400 to Hope for Justice, an organisation which exists to bring an end to modern slavery by rescuing victims, restoring lives, and reforming society.

No grants were made from restricted funds in the year (2019: £5,283).

In all cases gifts were made to further the aims of the charity being to further Christian faith and also bring relief to persons in conditions of need, hardship or distress, or who are aged or sick.

11 Taxation

As a charity, King's Church Darlington is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12 Tangible Fixed Assets

	Music & Sound System	Office Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Property	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	52,710	64,249	34,029	1,107,665	500,000	1,758,653
Additions	1,844	1,174	-	2,680	-	5,698
Disposals	-	-	-	-	-	-
At 31 December 2020	54,554	65,423	34,029	1,110,345	500,000	1,764,351
Depreciation						
At 1 January 2020	42,970	57,102	23,711	755,090	275,000	1,153,873
Charge for the year	2,475	2,341	2,580	77,304	20,000	104,700
Disposals	-	-	-	-	-	-
At 31 December 2020	45,445	59,443	26,291	832,394	295,000	1,258,573
Net Book Value						
At 31 December 2020	**9,109**	**5,980**	**7,738**	**277,951**	**205,000**	**505,778**
At 31 December 2019	9,740	7,147	10,318	352,575	225,000	604,780

The net book value of assets held under finance lease amounted to £205,000 (2019: £225,000).

13 Debtors

	31 December 2020	31 December 2019
	£	£
Other debtors	7,779	4,184
Prepayments	8,352	9,840
	16,131	14,024

14 Creditors: Amounts Falling Due Within One Year

	31 December 2020	31 December 2019
	£	£
Trade creditors	9,432	7,945
Taxation and social security	8,142	7,615
Accruals	4,400	5,288
Finance lease	25,183	23,298
	47,157	44,146

Amounts owed under finance lease are secured by the assets to which they relate.

15 Creditors: Amounts Falling Due After One Year

	31 December 2020	31 December 2019
	£	£
Finance lease	322,106	347,289

On 18th January 2007, the company entered into an arrangement to purchase a property. The terms of the arrangement were to pay monthly instalments of £3,708 over a 25-year period, at which point the company has the option to purchase the freehold for a nominal amount. The agreement was backdated to 1 April 2006.

Amounts owed under finance lease are secured by the assets to which they relate.

16 Analysis of Net Assets Between Funds

Year ended 31 December 2020

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed assets	505,778	-	505,778
Current assets	206,200	80,084	286,284
Current liabilities	(47,157)	-	(47,157)
Long-term liabilities	(322,106)	-	(322,106)
Net assets at 31 December 2020	342,715	80,084	422,799

Year ended 31 December 2019

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed assets	604,780	-	604,780
Current assets	235,463	21,746	257,209
Current liabilities	(44,146)	-	(44,146)
Long-term liabilities	(347,289)	-	(347,289)
Net assets at 31 December 2019	448,808	21,746	470,554

17 Movement in Funds

Year ended 31 December 2020

	Unrestricted Funds - General Funds	Restricted Funds - Gift Day Fund	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2019	545,638	12,521	4,184	10,934	573,277
Incoming Resources	501,325	42,417	-	8,700	552,442
Outgoing Resources	(607,306)	(46,268)	(1,350)	(241)	(655,165)
Transfer between funds	9,151	-	-	(9,151)	-
As at 1 January 2020	448,808	8,670	2,834	10,242	470,554
Incoming Resources	375,347	82,156	-	94,294	551,797
Outgoing Resources	(484,365)	(44,553)	-	(70,634)	(599,552)
Transfer between funds	2,925	-	-	(2,925)	-
As at 31 December 2020	342,715	46,273	2,834	30,977	422,799

Purpose of the Gift Day Fund

This fund is built up from gift days held the Church to fund specific activities and grants to be paid. It is supplemented by adhoc donations to the Church to fund these specific activities.

At 1 January 2020 the brought forward fund included £8,670 collected towards the works of the Foodbank. Further gifts of £82,156 were received specifically towards the Food Bank costs. Expenditure incurred by the Foodbank was £44,553 such that closing funds were £46,273.

Pastoral Help Fund (formerly Poverty Relief Fund)

This fund is available to meet the needs of those in financial difficulties. A balance of £2,834 was brought forward and remained unutilised in the year.

Grant Income

Foodbank: The Church brought forward a grant fund of £854 towards the improvement of Foodbank Facilities. A further £10,000 was received in the year and £7,055 was expended to leave a closing balance of £3,799. A brought forward grant to support clients of the Foodbank who were in need of £2,762 was added to by a further £3,000 grant in the year. £2,364 was expended leaving a carried forward balance of £3,398. There was also a balance of £410 brought forward for the purchase of food. A further £3,000 was received in the year leaving a carried forward balance of £3,411. Grants totalling £31,573 were received towards the running of the scheme. £18,541 was utilised in the year, leaving a carried forward balance of £13,032.

Furniture Scheme: The Church holds grant funding designated to fund the running costs of a Furniture Recycling Scheme van. The opening balance was £1,517. An additional £3,200 was received in the year leaving a closing balance of £4,717.

17 Movement in Funds (cont.)

Other: In the year, £1,250 was received towards the purchase of a video camera and this was fully utilised in the year, with the associated asset being capitalised. A brought forward grant of £1,000 towards the replacement of Kitchen appliances was added to by a further £800. £1,675 was spent and the assets capitalised in the year, leaving a balance of £125. A brought forward balance of £170 towards fundraising activities was utilised in the year and £1,033 was used against a brought forward £1,385 to fund equipment for King's Sports, leaving a balance of £352 to carry forward. A number of brought forward funds remained unchanged in the year. In particular, £950 towards the funding of the Soup Kitchen, £200 towards Youth Work, and £994 towards upgrade of the PA systems.

The Church received government grants under the Coronavirus Job Retention Scheme totalling £41,471 and these were fully utilised in the year.

Year ended 31 December 2019

	Unrestricted Funds - General Funds	Restricted Funds - Gift Day Fund	Restricted Funds –Pastoral Help Fund	Restricted Funds -Grants	Total Funds
	£	£	£	£	£
As at 1 January 2018	423,172	4,237	2,239	51,868	481,516
Incoming Resources	654,460	46,393	3,125	18,510	722,488
Outgoing Resources	(591,387)	(38,109)	(1,180)	(51)	(630,727)
Transfer between funds	59,393	-	-	(59,393)	-
As at 1 January 2019	545,638	12,521	4,184	10,934	573,277
Incoming Resources	501,325	42,417	-	8,700	552,442
Outgoing Resources	(607,306)	(46,268)	(1,350)	(241)	(655,165)
Transfer between funds	9,151	-	-	(9,151)	-
As at 31 December 2019	448,808	8,670	2,834	10,242	470,554

18 Leases

a) Finance leases - lessee

The only finance lease relates to the purchase of Land and Buildings. The terms of the lease require quarterly instalments of £11,125 to be paid over a 25-year period commencing on 1 April 2006. The building has been valued at £500,000 and interest of £612,500 has been allocated on a sum of digits basis. The capital payment of the lease is due:

	31 December 2020	31 December 2019
	£	£
Within 1 Year	25,183	23,298
Within 2 to 5 Years	119,577	112,039
After 5 Years	202,529	235,250
	347,289	370,587

18 Leases (cont.)

b) Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Payable	31 December 2020	31 December 2019
	£	£
Not later than one year	491	491
Later than one and not later than five years	860	1,351
Later than five years	-	-
	1,351	1,842

19 Share capital

The company does not have a share capital. In the event of a winding up, every member at that time is required to contribute £1.

20 Reconciliation of net expenditure to net cash flow from operating activities

	Year ended 31 December 2020			Year ended 31 December 2019
	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	£	£
Net (expenditure)/income	(106,093)	58,338	(47,755)	(102,723)
Depreciation charges	104,700	-	104,700	113,530
Interest charge	21,202	-	21,202	23,087
Loss on disposal of fixed assets	-	-	-	-
Decrease/(increase) in debtors	(2,107)	-	(2,107)	236
Decrease in creditors	1,126	-	1,126	1,731
Net cash provided/(used in) operating activities	18,828	58,338	77,166	35,861
Year ended 31 December 2019	41,753	(5,892)	35,861	