

Registered Charity no. 1118251
Registered Company no. 5998496

Kings People's Church
(Company Limited by Guarantee)

Trustees Annual Report and Accounts

Year Ended 31st December 2020



KINGS
Church

Kings People's Church

Year Ended 31st December 2020

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Legal and Administrative Information

Reference

The Charity is called "Kings People's Church". The charity is often also referred to as Kings Church. The organisation is registered with the Charity Commission for England and Wales and Companies House, registered on the 14th November 2006.

Registered Charity Number 1118251

Registered Company Number 5998496

Registered Office The Mill
Bury Road
Bolton
BL2 6QE

Website www.kingschurchlife.com

The Trustees and Directors

Antony Bladen
Andrew Dougherty
Christopher Jones
Ian Scholes
Derek Smith
Robert Islip *Resigned 16/06/2020*

Senior Pastors Derek & Georgina Smith

Company secretary Penny Clarke

Primary Bankers Barclays Bank UK PLC
1 Churchill Place
London
E14 5HP

Independent Examiner: Nigel Wyatt BSC FCA
Wyatt & Co Chartered Accountants
125 Main Street
Garforth
Leeds
LS25 1AF

Solicitors: Aughton Ainsworth
2 Merchants Quay
Salford
M50 3XR

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Trustees' Annual Report

Structure, Governance and Management

Kings People's Church (also known as Kings Church) is incorporated as a charitable company limited by guarantee and governed by its Memorandum & Articles of Association.

Governance of the organisation currently resides with the trustees who are responsible for:

- Ensuring clarity of vision, ethos and strategic direction
- Holding leaders (including the Core Team to whom leadership of the church and management of the activities is delegated) to account for performance of the organisation and the effective and efficient performance management of the staff team
- Overseeing the financial performance of the organisation and making sure money is spent well and in accordance with the vision & values of the organisation

Discussions are currently in progress around decision-making, levels of accountability, a trustees' charter, trustee induction & ongoing training and specific focused roles as trustees. Several of our trustees have attended voluntary update training from which our knowledge gaps have been identified and this has given rise to good discussion and updates needed. We acknowledge that as the organisation grows, there is a greater need for attention to matters of governance, together with ongoing review of the fitness for purpose of the structure and a review of policies and procedures for the recruitment, appointment, induction and training of trustees.

The trustees make decisions about strategic matters e.g. buildings, finance, staff appointments, setting pay and remuneration of the charity's key personnel. There is currently no formal benchmarking or criteria used in respect of key management personnel and the setting of their pay. It is acknowledged that some form of criteria should be set. We are affiliated to UCAN (UK Church Administrators Network) and plan to utilise their recent benchmarking data when we review pay during 2022.

The Core Team has spiritual oversight of the organisation and makes strategic decisions about church activities and direction.

Kings Church is affiliated to the Assemblies of God to whom we look for good practice in both spiritual and operating activities.

Related parties

The church has great working relationships with other churches and community outreach groups both in the area surrounding individual locations but also nationally. There is regular cooperation in pursuit of our and their charitable objectives. None of these are deemed to be related parties.

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As noted in the accounts, there have been and will continue to be some employees who are related to members of the trustee board. We have recently reviewed our related party policy, note conflicts of interest at the beginning of meetings and understand the requirement to make adequate disclosure in the accounts for any transactions with them

Public Benefit Disclosure

All of the activities of the charity are deemed to be in the interest of the public benefit. Our governing document requires that our activities include the provision of facilities expressly for the benefit of people in the communities in which we locate. All our community engagement activities have this as the primary objective. We are working closely with The Message Trust not only on our first Community Grocery based at The Mill, Bolton, but also looking at three further locations to meet the practical needs of the community in other localities. We are hopeful that these will open in 2022.

Other examples of our commitment to meeting our public interest objectives include the ministries of Love Does, Secret Angels, Clothes Bank, Who Let the Dads Out, Community Christmas Drive- Through Santa's grotto, Mini-Giants (parent & toddler midweek group), family fun days throughout the year, Cooking at Kings, summer holiday kids' club (open to all the community and many more).

Objectives and activities

The objects of the church are to:

- Advance the Christian Faith in accordance with the Statement of Beliefs, in Bolton and in such other parts of the United Kingdom or the world as the trustees may from time to time think fit
- To provide and assist in the provision of facilities for the benefit of the community of Bolton and the surrounding neighbourhood, which facilities may without limitation include the provision of childcare services and meetings, lectures, classes and other forms of education, training in life skills, recreation and leisure-time occupation without distinction of race, sex, political, religious or other opinion and with the objective of improving the conditions of life for the said inhabitants as the trustees may from time to time think fit
- Through our Sunday services and midweek programme, training events and other activities, our aim is to bring adults, young people and children into a greater spiritual, intellectual and moral awareness and to advance the practical application of Christianity
- We seek both to mobilize the people of God and express the love of God to those within and outside our congregation through all of our church activities
- We expect to see people's lives changed for the better as they experience God's help in their daily lives and the companionship and practical help of others in our supportive groups and gatherings

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- We expect people to be better equipped in life skills through our training and education. We also expect beneficial changes in the lives of those both within and outside our congregation who receive practical help or gifts of food and clothing and of those who receive help from gifts made to overseas aid and famine relief

All other charitable activities are undertaken by the church to further the attainment of the above objectives.

Volunteers

Kings People's Church could not function without its volunteer army. Indeed, at the outset of the first lockdown, when local councils were delivering food parcels to vulnerable or high-risk housebound residents, the deputy chief executive of one of the local councils called on our volunteers to be available to assist at short notice.

Most of the midweek activities are led by volunteers, all of whom are vetted, inducted and highly appreciated. On a normal Sunday, more than 130 volunteers across all campuses are involved in service delivery. All charity and local community outreach is undertaken by volunteers and coordinated by paid staff members.

Events occur throughout the year to honour the volunteers without whom most church events would not be able to happen.

Social Investment

As the activities of the organisation continue to expand, there is greater need to consider the appropriateness of social investment. Currently debt financing is obtained via Kingdom Bank who support church and charity investments, secured against property.

We are currently exploring other grant and fund providers to help finance future and potential social investment projects.

Achievements & performance

During 2020, the landscape of church life was totally transformed by the pandemic.

Overnight, our room hire income dried up and our on-the-day offerings practically ceased as church gatherings were no longer permitted. We transitioned many of our donors to online giving. Additionally, significant resources have gone into developing an online presence for church services. This has continued even as in-person service resumed, so has enabled increased accessibility to our services to reach those in our congregation who were housebound, didn't feel able to return or not well enough to attend, even once church reopened.

The operations team meticulously followed all restrictions and facilitated the reopening of church buildings, once permitted. Such care was taken to protect attendees that there was not a single notifiable instance of reported COVID during the whole pandemic.

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Our biggest achievement was getting through the year with sustained donations and consistent engagement from the congregation who adapted to the changing delivery mechanisms of church services throughout the period.

External funding was sourced to begin the initial provision of CAP money management and to courses, set up a Community Grocery in partnership with The Message Trust. Other grants have facilitated the expansion of facilities, staff, infrastructure and capacity. Building development has been possible at both the Bolton/Persian and Salford campus locations.

Fundraising

Fund-raising is part of our DNA. The majority of funds have traditionally come as voluntary donations (tithes & offerings). As our community engagement is part of our core activities, we rely on voluntary donations to meet the majority of our expenditure. Whilst we have worked with a partner organisation to assist with review and submission of grant applications, there has been no professional fundraising in respect of ordinary activities.

Financial Review

2020 was an unprecedented year, one which tested the charity to its limits. As the country went into lockdown, significant sources of income disappeared e.g. room hires and offerings (our main source of income). Overnight, our income reduced by £20k per month. With some astute donor management and communication, many of our cash givers transitioned to online giving. We are pleased to note that voluntary donations have held constant throughout the period. Our business plan was based on significant commercial growth as we moved to the new building; the lack of income has proved challenging but not insurmountable.

The loss of room hires, however, might have been catastrophic but for government initiatives such as the CJRS which enabled us to retain all staff throughout 2020 and beyond. We took no bounce-back loans and only one payment holiday in respect of lease repayments. We were also able to provide our tenants with some respite in terms of negotiated payment deferrals - all of which have since been repaid.

Good stewardship and astute business management have been key throughout this period. During 2020, some of the staff team were able to concentrate on grant-based fund-raising activities which enabled us to continue with building development. We were able to bring in some significant new personnel with experience in community engagement, volunteer management and fund-raising. This has proven a vital strategic move for the ongoing preservation and development of the organisation. New operational staff have been creative with opportunities and added strength to the team, bringing external commercial experience to bolster our service provision,

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COVID-19 has undoubtedly had an adverse effect on the financial performance of the organisation throughout this period. We have maintained our activities and our bounce-back strategy and re-engagement together with reopening church buildings has been successful.

Whilst we can identify the shortfall which has been met by non-recurring sources of funds during this period, it is our goal to replace these by cash-generating commercial activities such as a coffee shop, leasing out of the top floor of the Mill, disposal of the Wigan campus building to enable us to relocate to a more efficient purpose-built facility. The directors believe that as new business emerges over 2021 and beyond, not only will our premises continue to meet the needs of our community, but will bring together business and community in partnership such that the local church is known as a beacon of hope within the locality.

The financial out-turn of the organisation shows an excess of income over expenditure for the period, resulting in an increase of the charity's funds since the previous year which is remarkable.

The organisation has owned assets, fixed assets and contingent assets (by way of the Salford building). Once the transfer of the charity is complete, the assets of the organisation will exceed £1.5m.

Reserves Policy

Most of the charity's funds are spent within a short time period with a prudent amount being kept in a current account to maintain cash flow.

We have previously stated our aim to build sufficient free reserves to cover three month's average overheads to allow the charity to react to changes in funding in a constructive manner.

At the reporting date, the total funds of the charity were £706,902, with £87,179 restricted funds, £16,282 designated funds, £350,000 held in a revaluation reserve and £253,411 unrestricted.

During the pandemic, there was need to utilise the majority of our cash reserves to sustain ongoing activities. As at the date of signing, we are currently in a relatively healthy cash position due to a recent vision offering. These funds are designated towards outreach activities, and we are building back up our general reserves to meet the covenanted required reserves figure within the next couple of years.

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Key risks and uncertainties disclosures

The trustees acknowledge that at the point of signing the accounts, there are material uncertainties regarding the charity's ability to continue operating as a going concern.

The material uncertainties facing the charity include:

- Unknown timing of the sale of the Wigan building which will result in a significant cash inflow
- Unknown timing of when conferencing facilities and building premises rentals will operate at full capacity due to the ongoing effects of COVID-19.

Following the purchase of the Blackpool building and its subsequent mortgage, a bank covenant is in place which has a six-month grace period from the point of the purchase. Uncertainty remains whether the bank covenant will be breached should the Wigan disposal not proceed.

The risks of the long-term impact of COVID on church attendance and consequent giving might affect future offerings, although we see minimal evidence of this to date.

Plans for future periods

The trustees have identified the need to create a 3-year strategic plan for ministry, finance and governance which sets us up to support our people and the wider community in each of our locations and beyond.

There are other ongoing building acquisitions/disposals as follows:

The acquisition of the Springfield Methodist building has completed in December 2021. This is a new home for our Blackpool campus who have had no permanent home for several years. Much work is required to bring this to Kings standard, but the team are keen and already working on it.

We are in ongoing conversation in respect of the sale of the building at Wigan. It has been one of our stated aims to relocate this campus to a better location which is more fit-for-purpose. We envisage completion of the sale in early to mid 2022.

The final transfer of the assets of Pendlebury Evangelical Church is scheduled for 1 January 2022 at which point, KPC will take legal responsibility for the building to be used for the furtherance of the gospel in the local area. We have obtained funding for a community Grocery, the work on which is scheduled to start early 2022, subsequent to the final transition of the building.

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Other Community Groceries are planned for Gateshead and Blackpool campuses. We have identified the need and are happy to promote these community outreach activities as part of the life of the church. Funding is required for both of these, so they might take a little longer before commencement.

Our Persian campus continues with outreach to Farsi-speaking communities, both in Bolton and beyond. They have developed an International Ministry which is gaining strength and bringing together believers in other European countries.

Summer 2021 saw the inaugural Community summer Holiday club outreach funded by Bolton Council. We have already been asked to replicate this for our local community in other holiday periods. We hope we can reach as many children or more and provide for their families in the summer holidays, both in respect of childcare, activity and nutritional needs.

In 2022, we plan to finish the development of the Mill Coffee shop - this is part of our strategy to make facilities available to the local community and beyond. We plan a meeting space, learning space, connection space and family space.

Approved by the Trustees

Name of Trustee:

Ian Scholes

Signed on behalf of the Trustees:



Date of approval:

20/12/2021

Kings People's Church

Year Ended 31st December 2020

Independent Examiners Report

I report to the trustees on my examination of the financial statements of Kings People's Church ('the charity') for the year ended 31st December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

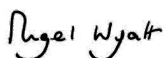
I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

Emphasis of matter

I would like to draw the reader of accounts attention to the fact that there are material uncertainties regarding the Charity's ability to continue operating as a going concern at the point of the accounts being signed. The details of these uncertainties have been outlined in the notes accompanying the financial statements and the trustees report.



Nigel Wyatt BSC FCA
Independent Examiner
125 Main Street
Garforth
Leeds
LS25 1AF

Date: 20/12/2021

Kings People's Church

Year Ended 31st December 2020

Statement of Financial Activities

			2020		2019
		Unrestricted Funds	Restricted Funds	Total Funds	Total funds
	Note	£	£	£	£
Income					
Donations and legacies		758,656	67,870	826,526	818,263
Charitable activities	2	8,667	-	8,667	17,882
Trading Activities		115,526	-	115,526	64,228
Other		-	-	-	-
Total Income		<u>882,850</u>	<u>67,870</u>	<u>950,720</u>	<u>900,373</u>
Expenditure					
Expenditure on charitable activities	3	891,772	20,205	911,977	869,808
Governance costs	4	2,982	-	2,982	4,352
Total Expenditure		<u>894,754</u>	<u>20,205</u>	<u>914,959</u>	<u>874,160</u>
Net income / (expenditure)		<u>(11,904)</u>	<u>47,665</u>	<u>35,761</u>	<u>26,213</u>
Net income and net movement in funds					
Total funds brought forward	14	631,627	39,514	671,141	644,928
Transfers	14	-	-	-	-
Total funds carried forward	14	<u>619,723</u>	<u>87,179</u>	<u>706,902</u>	<u>671,141</u>

All income and expenditure derive from continuing activities.

The statement is a combined Statement of Financial Activities and Income and Expenditure Account for the purposes of meeting both companies act and charity SORP reporting requirements.

Kings People's Church

Year Ended 31st December 2020

Statement of Financial Position

		2020	Restated 2019
	Note	£	£
Fixed Assets			
Tangible Assets	9	927,514	912,676
		<u>927,514</u>	<u>912,676</u>
Current assets			
Debtors	10	107,572	158,467
Cash at bank and in hand		61,455	43,499
		<u>169,027</u>	<u>201,966</u>
Creditors: amounts falling due within one year	11	74,565	63,315
Net current assets		<u>94,462</u>	<u>138,651</u>
Creditors: amounts falling after one year		315,074	380,186
Net assets	15	<u>706,902</u>	<u>671,141</u>
Funds of the charity			
Restricted funds	14	87,179	39,514
Unrestricted funds			
Unrestricted General	14	253,441	271,010
Revaluation Reserve		350,000	350,000
Designated funds		16,282	10,617
		<u>619,723</u>	<u>631,627</u>
Total charity funds		<u>706,902</u>	<u>671,141</u>

Directors Responsibilities

The Directors are satisfied that for the year ended on 31st December 2020 the charitable company was entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act 2011, the accounts have been examined by an Independent Examiner.

The Directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. These Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with FRS 102 (effective January 2019).

Name of Trustee:

Ian Scholes

Signed on behalf of the Trustees:



Date of approval:

20/12/2021

Kings People's Church

Year Ended 31st December 2020

Statement of cash flows

	2020 £	2019 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	206,428	(25,168)
	<u>206,428</u>	<u>(25,168)</u>
Cash flows from investing activities:		
Dividends and interest	-	-
Purchase of tangible fixed assets	(127,229)	(606,615)
Net cash provided by (used in) investing activities	<u>(127,229)</u>	<u>(606,615)</u>
Cash flows from financing activities:		
Repayments on borrowing	(61,242)	244,534
Cash inflows from new borrowing	-	-
Net cash provided by (used in) financing activities	<u>(61,242)</u>	<u>244,534</u>
Change in cash and cash equivalents in the reporting period	17,956	(387,249)
Cash and cash equivalents at the beginning of the reporting period	43,499	430,748
Cash and cash equivalents at the end of the reporting period	<u>61,455</u>	<u>43,499</u>

Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds for the reporting period (as per the statement of financial activities)	35,761	26,213
Adjustments for:		
Depreciation charges	112,392	90,238
Dividends and interest from investments	-	-
(Increase) / decrease in debtors	50,895	(122,322)
Increase / (decrease) in creditors	7,380	(19,297)
Net cash provided by (used in) operating activities	<u>206,428</u>	<u>(25,168)</u>

Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	61,455	43,499
Notice deposits (less than 30 days)	-	-
Total cash and cash equivalents	<u>61,455</u>	<u>43,499</u>

Kings People's Church

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Notes to the Financial Statements

1 Accounting Policies

Legal Status

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per trustee.

Basis of Preparation

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (FRS 102), FRS 102, and the Companies Act 2006. After due consideration of available information about the future, the accounts have been prepared on a going concern basis.

The financial statements are prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest £. The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost.

Fund Accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or the term of specific appeal, often known as a 'special offering' in the church.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

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Notes to the Financial Statements

Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

- All voluntary income from members of the church are recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.
- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
- Income resources from charitable trading activities such as the letting of the building are accounted for when invoices are drawn up (as the point of entitlement).
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.
- Volunteer time, the value of voluntary support for the work of the church is not included in the accounts but is described in the Trustees annual report.
- Investment Income is included in the accounts when receivable.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out the resources and the amount of the obligation can be measured with reasonable certainty.

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

Tangible Fixed Assets

Tangible fixed assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other recognised gains and losses.

Tangible fixed assets costing more than £750 are capitalised and included at cost including any incidental expenses of acquisition. Gifted assets are shown at the value to the charity on receipt. Depreciation is provided on all tangible assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Land and Buildings	2% Straight line
Fixtures and Fittings	25% Straight line
Equipment	25% Straight line
Leasehold Improvements	Depreciated over the life of the leasehold

Operating Leases

Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

Taxation

The charity is exempt from tax on its charitable activities.

Going concern

The financial statements have been prepared on a going concern basis accounting for assets and liabilities as if the charity will continue to operate into the foreseeable future. However, the Trustees outline that there are material uncertainties regarding the organisation's ability to operate as a going concern. For full details of these uncertainties please refer to the relevant note in the accounts and section of the trustees report.

Finance Leases

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of liability.

Kings People's Church

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Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations and legacies			
Donations	549,987	11,320	561,307
Gift Aid	126,193	-	126,193
Grants	82,476	56,550	139,026
	<u>758,656</u>	<u>67,870</u>	<u>826,526</u>
Charitable activities			
Hospitality and café income	3,512	-	3,512
Events and activities income	3,498	-	3,498
Courses and training	1,656	-	1,656
	<u>8,667</u>	<u>-</u>	<u>8,667</u>
Trading Activities			
Room hire and rental income	115,526	-	115,526
	<u>115,526</u>	<u>-</u>	<u>115,526</u>
Investment income			
Bank Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Income	<u>882,850</u>	<u>67,870</u>	<u>950,720</u>

During the year the charity received government grants through the Covid-19 job retention scheme. The total amount received during the year was £82,476. All conditions of the grants were met.

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations and legacies			
Donations & Fundraising	785,372	-	785,372
Grants	-	32,891	32,891
	<u>785,372</u>	<u>32,891</u>	<u>818,263</u>
 Charitable activities			
Hospitality and café income	17,882	-	17,882
	<u>17,882</u>	<u>-</u>	<u>17,882</u>
 Trading Activities			
Room hire and rental income	64,228	-	64,228
	<u>64,228</u>	<u>-</u>	<u>64,228</u>
 Investment income			
Bank Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
 Total Income	<u>867,482</u>	<u>32,891</u>	<u>900,373</u>

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

3 Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Premises costs	404,819	17,002	421,821
Administration costs	153,858	750	154,608
Mission expenses	326,313	79	326,392
Training and Development	6,783	2,374	9,157
	<u>891,772</u>	<u>20,205</u>	<u>911,977</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Premises costs	277,590	1,157	278,747
Administration costs	115,790	-	115,790
Mission expenses	451,584	7,565	459,149
Training and Development	16,122	-	16,122
	<u>861,086</u>	<u>8,722</u>	<u>869,808</u>

Due to a change in the way the statutory accounts are prepared and how expenditure is categorised, it is likely that some items of expenditure are not categories in the same way to the prior year. For full details of the detailed expenditure breakdown for 2020 please see note 20.

All expenditure incurred is attributable to the charity's main activity of running a multi campus church. The charity does let out some of its premises and buildings for generating additional income. This is a secondary activity of which minimal spend is attributable during the year.

4 Governance costs

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Governance Costs	2,982	-	2,982
	<u>2,982</u>	<u>-</u>	<u>2,983</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Governance Costs	4,352	-	4,352
	<u>4,352</u>	<u>-</u>	<u>4,352</u>

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

5 Volunteers

The charity benefits from the voluntary contributions of time and money in helping run the charitable activities during the year. Please refer to the trustees' report for further detail about volunteer contributions in the organisation.

6 Independent examination fees

Fees payable to the independent examiner for:

	2020	2019
	£	£
Independent examination and preparation of the financial statements	2,400	2,220

7 Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	263,055	301,304
Social security costs	15,201	17,201
Employer contributions to pension plans	8,610	9,958
	<u>286,866</u>	<u>328,463</u>

The average head count of employees during the year was as follows:

	2020	2019
Number of staff members	18	14

Number of employees who received benefits of more than £60,000 during the year was as follows:

	2020	2019
More than £60,000	0	0

Key Management Personnel

The key management personnel of the charity are Operations Director, Senior Pastor and Associate Pastor. The total employment remuneration received during the year by the key management personnel was £92,991.

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Notes to the Financial Statements

8 Trustee remuneration, expenses and donations

One trustee received remuneration from employment with the charity during the year.

Payment was made to Mr D Smith under the terms of Kings People's Church standard terms of employment for his role as Senior Pastor. The amount of the remuneration paid during the year was £46,714 (2019: £46,626) together with pension contributions of £5,044 (2019: £4,828).

One trustee was remunerated under a self employed basis during the year.

Payment was made to Mr C Jones for services as a campus pastor. The amount of remuneration paid during the year was £1,540.

Two trustees received reimbursement for out of pocket expenses for work carried out for charitable activities and not for responsibilities undertaken as a trustee. The total expenses repaid during the year for travel costs and day to day running costs of the church was £3,296.

9 Tangible assets

	Land and Buildings £	Fixtures and Fittings £	Equipment £	Total £
Costs				
At 1 January 2020	675,415	113,367	394,876	1,183,658
Additions	84,305	33,881	9,044	127,229
At 31 December 2020	759,720	147,248	403,920	1,310,887
Depreciation				
At 1 January 2020	11,957	113,367	145,658	270,982
Charge	39,356	8,470	64,565	112,392
At 31 December 2020	51,313	121,837	210,223	383,374
Net Book Value				
At 31 December 2020	708,407	25,411	193,696	927,514
At 1 January 2020	663,458	-	249,218	912,676

The charity's building at Tyldesley church was revalued as at 31st December 2019 and post year end in August 2021 by an independent valuer. The historical cost of the property was £nil.

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

10 Debtors

	2020	2019
	£	£
Trade Debtors	5,327	2,671
Accrued Income	24,310	-
Other Debtors	77,936	155,796
	<u>107,572</u>	<u>158,467</u>

11 Creditors: amounts falling due within one year

	2020	Restated 2019
	£	£
Trade Creditors	10,739	7,093
Accruals	2,400	-
Bank Overdrafts and Credit Cards	5,028	2,433
Obligations under finance leases and hire purchase contracts	54,996	53,722
Deferred income	1,401	-
Other Creditors	-	67
	<u>74,565</u>	<u>63,315</u>

12 Creditors: amounts falling after one year

	2020	Restated 2019
	£	£
Bank Loans	141,570	145,011
Obligations under finance leases and hire purchase contracts	173,504	235,175
	<u>315,074</u>	<u>380,186</u>

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

13 Creditors: Bank Loans and Finance Leases

The total obligation under mortgage and hire purchases commitments for the charity was:

	2020	Restated
	2019	
	£	£
Bank loan mortgage commitments	144,003	147,444
Obligations under finance leases and hire purchase contracts	228,500	290,037
	<u>372,504</u>	<u>437,481</u>

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2020	Restated
	2019	
	£	£
Not later than 1 year	54,996	54,996
Later than 1 year and not later than 5 years	173,504	235,041
	<u>228,500</u>	<u>290,037</u>

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

14 Analysis of Charitable Funds

Unrestricted Funds

	1 Jan 20 £	Income £	Expenditure £	Transfers £	31 Dec 20 £
Unrestricted					
General	271,010	866,788	(884,357)	-	253,441
Revaluation Reserve	350,000	-	-	-	350,000
	621,010	866,788	(884,357)	-	603,441
Designated Funds					
Projects, Missions and Events	10,617	16,062	(10,397)	-	16,282
	10,617	16,062	(10,397)	-	16,282
Total Unrestricted	631,627	882,850	(894,754)	-	619,723
Restricted Funds					
Awards For All	-	9,665	(2,117)	-	7,548
All Churches Trust	-	25,000	(8,281)	-	16,719
Blackpool Building	-	10,000	(145)	-	9,856
Community Grocery	-	10,100	-	-	10,100
Other small immaterial funds	39,514	13,105	(9,662)	-	42,958
Total	39,514	67,870	(20,205)	-	87,179
Total Funds					
Total	671,141	950,720	(914,959)	-	706,902

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

Fund Descriptions

Unrestricted Funds

Revaluation Reserve Fund held for the revaluation of the Tyldesley church building.

Designated Funds

Projects, Missions and Events Funds earmarked by the trustees for specific projects, missions and events.

Restricted Funds

Awards For All Grant received to help with coronavirus community projects.

All Churches Trust Grant received to help with community building at The Mill, Bolton.

Blackpool Building Donations and grants received towards the Blackpool campus building.

Community Grocery Grants and donations received to help establish and maintain the Community Grocery and food provision at The Mill, Bolton.

Other small immaterial funds Other smaller immaterial funds received during the year.

15 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Fixed Assets	927,514	-	927,514
Current Assets	81,847	87,179	169,027
Creditors less than 1 year	(74,565)	-	(74,565)
Creditors greater than 1 year	(315,074)		(315,074)
	<u>619,723</u>	<u>87,179</u>	<u>706,902</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Fixed Assets	912,676	-	912,676
Current Assets	162,452	39,514	201,966
Creditors less than 1 year	(63,315)	-	(63,315)
Creditors greater than 1 year	(380,186)	-	(380,186)
	<u>631,627</u>	<u>39,514</u>	<u>671,141</u>

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

16 Related party transactions

There were a number of related party transactions which took place during the year.

Ian Scholes is a trustee of Kings People's Church and a director of Spacious Place. Spacious Place provides the charity with phone line services. The total expenditure incurred during the year was £1,760.

Robert Islip was a trustee during the year until the end of March 2020. During the financial year the charity employed Robert's sons Adam and Ben Islip and daughters in law Susie and Nicola. The total remuneration received by each individual including employer's national insurance and employer's pension is as follows:

	2021
	£
Ben Islip	29,429
Adam Islip	38,937
Susie Islip	5,137
Nicola Islip	13,807

Derek Smith is a trustee of Kings People's Church. During the financial year the charity employed Georgina Smith, Derek's spouse. The total remuneration received including employer's National Insurance and employer's pension is as follows:

	2021
	£
Georgina Smith	12,134

17 Operating Lease

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

	2021
	£
No later than 1 year	277,461
Later than 1 year but less than 5 years	1,169,844
Later than 5 years	3,651,382
	<u>5,098,687</u>

The operating lease is held for the charity's building premises.

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Notes to the Financial Statements

18 Events after the reporting period

After the year end a number of non adjusting post balance sheet events took place.

During December 2021 the charity purchased a building for its Blackpool campus costing £280,000 of which £210,000 was financed through a mortgage facility and £56,000 through an unsecured loan.

In November 2021 as part of the Church's vision Sunday, a material value of donations and future donation pledges were made by the church members. Donations of £85,000 including gift aid was donated and a further £60,000 of donations were pledged as recurring future donations over the next year.

19 Contingent Assets and Liabilities

At the year end the charity held a contingent asset. The asset relates to a building previously used by Pendlebury Evangelical Church. During the 2019 financial year the activities undertaken by Pendlebury Evangelical Church transferred over to Kings People Church. The timing of the legal transfer of the building and the attached mortgage is uncertain and is deemed likely to take place late in 2021 or early 2022.

The estimated value of the building is £315,000 and the mortgage value as at the 31st of December 2020 is £52,768.

20 Material Going Concern Uncertainties

The trustees acknowledge that at the point of signing the accounts material uncertainties regarding the charity's ability to continue operating as a going concern exist.

The material uncertainties facing the charity include:

- 1) unknown timing of the Wigan building sale that would result in a significant cash inflow.
- 2) unknown timing of when conference facilities and building premises rentals will operate at full capacity due to the on going effects of Covid-19.

Following the purchase of the Blackpool building and its subsequent mortgage a bank covenant is in place which has a six month grace period from the point of purchase. Uncertainty remains whether the bank covenant will be breached if the Wigan building remains unsold.

Kings People's Church

Year Ended 31st December 2020

Notes to the Financial Statements

21 Prior Period Adjustment

In the accounts year ending 31st of December 2019 the designated funds held by the charity were not disclosed separately in the accounts. Outlined below is the prior period adjustment taking the designated funds out of the general unrestricted fund balance.

	Original 2019 £	Restated 2019 £
Unrestricted Funds		
General	281,627	271,010
Designated Funds		
Projects, Missions and Events	-	10,617

The accounts for the year ending 31st of December 2019 have been updated for an understated hire purchase creditor of £36,842. The accounts did not reflect the full balance owing to the hire purchase creditor, the VAT debtor due on the purchase of the equipment and an adjustment to the Fixed Asset value of the equipment.

	Original 2019 £	Restated 2019 £
Creditors: amounts falling after one year	343,344	380,186
Other Debtors	122,520	155,796
Fixed Assets: Equipment	245,652	249,218

Kings People's Church

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Notes to the Financial Statements

22 Detailed Expenditure Breakdown

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Premises costs			
Building and premises	390,032	17,002	407,034
Finance costs	14,787	-	14,787
	404,819	17,002	421,821
 Administration costs			
Administration	15,163	750	15,913
Depreciation	112,392	-	112,392
Operations	8,141	-	8,141
	135,696	750	136,446
 Mission expenses			
Events, projects and mission	13,993	-	13,993
Giving & mission	6,321	-	6,321
Hospitality	4,025	-	4,025
Media and publicity	10,435	79	10,514
Salary costs	286,866	-	286,866
Worship and production	2,850	-	2,850
Youth and Children	1,822	-	1,822
Ministry and training	6,783	2,374	9,157
Staff related costs	18,162	-	18,162
	351,258	2,453	353,711
	<hr/> 891,772	<hr/> 20,205	<hr/> 911,977