

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 2021



KINGS
Church

Kings People's Church

Year Ended 31st December 2021

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Kings People's Church

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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 *Resigned 18/01/2022*
Ian Scholes
Derek Smith
Penny Clarke *Appointed 24/06/2022*

Senior Pastors Derek & Georgina Smith

Company secretary Penny Clarke

Primary Bankers Barclays Bank UK PLC
1 - 5 Market Street
Bolton
BL1 1BU

Auditor Mark Heaton
KM Chartered Accountants
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

Solicitors Aughton Ainsworth
2 Merchants Quay
Salford
M50 3XR

Kings People's Church

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Trustees' Annual Report

Structure, governance and management

Kings People's Church (also known as Kings Church) was incorporated as a charitable company limited by guarantee and governed by its Memorandum of Association of 7 December 2006.

Governance of the organisation 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 and values of the organisation

Last year we reported on discussions concerning governance, decision-making, trustees' roles and training. Updates to our policies and procedures continued during the reporting year, and these have culminated in provision of up-to-date guidance and continuing training for all trustees. Additional trustees are being recruited using formal experience assessments and Charity Commission guidance.

The trustees make decisions about strategic matters e.g. buildings, finance, staff appointments, setting pay and remuneration of the charity's key personnel.

The Core Team has spiritual oversight of the organisation and makes operational decisions about church activities and direction in accordance with the strategic vision.

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 maintains good working relationships with other churches and community outreach groups in the areas surrounding our campus locations, and also nationally. There is regular co-operation in pursuit of our mutual charitable objectives. None of these are deemed to be related parties.

Public benefit disclosure

The activities of the charity are centred on five campus locations - Bolton, Blackpool, Gateshead, Salford and Wigan. All of the activities 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 work closely with The Message Trust in our Community Grocery at The Mill, Bolton, and expansion to other locations has continued in 2022 including Blackpool.

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Trustees' Annual Report

Other examples of our commitment to meeting our public interest objectives include the ministries of Christians Against Poverty (money management and Life Skills), Secret Angels, Clothes Bank, Who Let the Dads Out, Community Christmas drive-through Santa's grotto, Christmas Market, Mini-Giants (parent & toddler midweek groups), Cooking at Kings, Neon nights, family fun days throughout the year, summer holiday kids' clubs, and family film nights.

Through our Sunday services and midweek programmes, 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.

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.

Objectives and activities

The objects of the Charity are:

- To advance the Christian Faith in accordance with the Statement of Beliefs appearing in the schedule to the Memorandum of Association, in Bolton and in such other parts of the United Kingdom or the world as the trustees may from time to time think fit, and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity;
- 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 child care 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 object of improving the conditions of life for the said inhabitants as the trustees may from time to time think fit;
- To relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind, including through the provision of counselling and support in such parts of Bolton, the United Kingdom or the world as the trustees from time to time may think fit.

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Volunteers

Kings People's Church could not function without its volunteers. Most of the midweek activities are led by volunteers, all of whom are vetted and provided with induction training and guidance and are highly valued. 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 members of staff.

Social investment

The church's activities continue to expand, and this ensures continued focus on the 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 maintain research on opportunities with other grant and fund providers to help finance future and potential social investment projects.

Achievements and performance

Post-pandemic we have seen a recovery in offerings, significantly assisted by the transition to online giving. The development of online church services has continued since the resumption of church attendance, and this has enabled increased accessibility for those who are house-bound, or unable to attend church for other reasons. Overall, these developments have increased the reach of the church's ministry.

External funding has enabled us to further develop the Community Grocery in partnership with The Message Trust and 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

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

During 2021 there was an increase in voluntary donations received and further support from government grants under the Covid-19 job retention scheme. Voluntary offerings increased by 13%, representing a rapid recovery from the pandemic period.

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Trustees' Annual Report

The recruitment during 2020 of additional volunteers and staff to the operational team has been strategically important and has enabled us to begin to increase income from room hire and rentals as well as increasing community activities.

The financial out-turn for the year showed a surplus of income over operating expenditure within unrestricted funds of £4,799. This was a more than satisfactory performance given that mission expenses for the year, at £326k, were 48% higher than in 2020. Premises and administrative costs were held to an increase of 16% reflecting the much-increased activity undertaken.

The cost of owned assets at the end of 2021 was £1.6m including property at Tyldesley which was sold after the year end for £332,000.

Further progress was made in developing The Mill premises at Bolton with a view to increasing cash-generating commercial activities such as The Mill Coffee House (a joint venture which started in September 2022) and leasing out of the top floor.

The directors consider that the continued development of The Mill premises will attract further business opportunities and will enable us to achieve our ambitions to provide hope and help to people in our local community and beyond.

Reserves policy

Our ability to maintain reserves at targeted levels was constrained during the Covid-19 pandemic. Whilst income has recovered well since that time, our plans to rebuild reserves were significantly dependent upon the sale of the Wigan building, which had been expected for completion during the reporting period but was not completed until 2022.

Our policy is to maintain reserves of up to three months' running. The Wigan building proceeds and planned new conference income stream from newly developed facilities at The Mill, Bolton, are part of our plans for 2023 and beyond to build sustainability in the short to medium term.

Key risks and uncertainties

The trustees have assessed the risks that they consider are facing the charity and note the following:

- The overall cost of energy price rises is not yet quantifiable, although we are already beginning to feel the impact with rising utility bills in each of our locations.
- Similar challenges are facing our room hirers as the cost-of-living increases begin to bite. Some have needed to reduce their hours or relocate: this provides scope to develop new business.
- In addition, as the cost-of-living increases begin to take effect, this may affect the level of voluntary donations; we haven't yet felt any significant impact from this.

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- The level of reserves and bank covenant required have not been maintained throughout the year as desired. Steps are being taken to replenish the reserves up to the required level.
- The charity also maintains various policies including safeguarding (both adults and children). Appropriate DBS checks are undertaken for staff and volunteers.

Plans for future periods

The acquisition of the Springfield Methodist church building for our Blackpool campus was completed during 2022, as was the sale of the building at Wigan. The congregation at Wigan will continue to meet and fulfil its outreach from rented facilities until such time as alternative, fit for purpose, accommodation becomes available.

The transfer of the assets of Pendlebury Evangelical Church took effect in January 2022. Kings Church has taken legal responsibility for the building to be used for the furtherance of the gospel in the local area. In addition, funding has been obtained for a facility to assist in the alleviation of food poverty which opened late 2022.

Community Groceries are planned for other campuses and funding partners are being sought to help us meet this recognised need.

Our Persian campus continues to see development in its international outreach ministry to Farsi-speaking communities, in Bolton and overseas. This ministry brings together believers in countries throughout Europe.

Summer 2021 saw the inaugural Community Summer Holiday Club outreach funded by Bolton Council. We have been asked to replicate this for our local community in other holiday periods. We will seek to do this and hope we can reach many more children and provide for their families in the summer holidays, in respect of childcare, stimulating activities and meeting nutritional needs.

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Trustees' Annual Report

Declarations

Disclosure of information to auditor

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

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.


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

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

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

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the trustees:

Signature	
Full name	<i>IAN SCHULER</i>
Position	<i>TRUSTEE</i>
Date	<i>12TH DEC 2022</i>

Kings People's Church

Year Ended 31st December 2021

Independent Auditor's Report to the Members of Kings People's Church

Opinion

We have audited the financial statements of Kings People's Church (the 'charity') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Kings People's Church

Year Ended 31st December 2021

Independent Auditor's Report to the Members of Kings People's Church

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Kings People's Church

Year Ended 31st December 2021

Independent Auditor's Report to the Members of Kings People's Church

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations which were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Year Ended 31st December 2021

Independent Auditor's Report to the Members of Kings People's Church

Use of our report

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



.....
Mark Heaton FCCA DchA (Senior Statutory Auditor)
For and on behalf of KM , Statutory Auditor
1st Floor, Block C
The Wharf
Manchester Road
Burnley
Lancashire
BB11 1JG

Date: 21/12/22

Kings People's Church

Year Ended 31st December 2021

Statement of Financial Activities

		Unrestricted Funds	2021 Restricted Funds	Total Funds	2020 Total funds
	Note	£	£	£	£
Income					
Donations and legacies		854,583	79,987	934,570	826,526
Charitable activities		7,343	-	7,343	8,666
Trading activities		174,492	-	174,492	115,526
Total Income	2	<u>1,036,418</u>	<u>79,987</u>	<u>1,116,405</u>	<u>950,719</u>
Expenditure					
Expenditure on charitable activities	3	1,024,885	102,460	1,127,345	911,978
Governance costs	4	<u>6,734</u>	<u>-</u>	<u>6,734</u>	<u>2,982</u>
Total Expenditure		<u>1,031,619</u>	<u>102,460</u>	<u>1,134,079</u>	<u>914,960</u>
Net income / (expenditure) before gains /(losses)		<u>4,799</u>	<u>(22,473)</u>	<u>(17,674)</u>	<u>35,759</u>
Gain/(loss) on revaluation of property	9	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>	<u>-</u>
Net income / (expenditure)		<u>(13,201)</u>	<u>(22,473)</u>	<u>(35,674)</u>	<u>35,759</u>
Net income and net movement in funds					
Total funds brought forward	14	619,723	87,179	706,902	671,143
Transfers	14	<u>43,165</u>	<u>(43,165)</u>	<u>-</u>	<u>-</u>
Total funds carried forward	14	<u>649,687</u>	<u>21,541</u>	<u>671,228</u>	<u>706,902</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 2021

Statement of Financial Position

	Note	2021 £	2020 £
Fixed Assets			
Tangible Assets	9	1,117,175	927,514
		<u>1,117,175</u>	<u>927,514</u>
Current assets			
Debtors	10	81,755	107,572
Cash at bank and in hand		72,706	61,455
		<u>154,461</u>	<u>169,027</u>
Creditors: amounts falling due within one year	11	150,778	74,565
Net current assets		<u>3,683</u>	<u>94,462</u>
Creditors: amounts falling after one year		449,630	315,074
Net assets	15	<u>671,228</u>	<u>706,902</u>
Funds of the charity			
Restricted funds	14	21,541	87,179
Unrestricted funds			
Unrestricted General	14	87,193	253,441
Revaluation Reserve		332,000	350,000
Designated funds		230,494	16,282
		<u>649,687</u>	<u>619,723</u>
Total charity funds		<u>671,228</u>	<u>706,902</u>

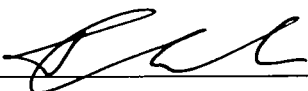
Directors Responsibilities

The financial statements were approved by the trustees and authorised for issue and signed on their behalf by:

Name of Trustee:

IAN SCHOLLES

Signed on behalf of the Trustees:



Date:

12TH DEC 2022

Kings People's Church

Year Ended 31st December 2021

Statement of cash flows

	2021 £	2020 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	114,512	206,427
	<u>114,512</u>	<u>206,427</u>
Cash flows from investing activities:		
Dividends and interest	-	-
Purchase of tangible fixed assets	(312,605)	(127,229)
Net cash provided by (used in) investing activities	<u>(312,605)</u>	<u>(127,229)</u>
Cash flows from financing activities:		
Repayments on borrowing	(57,449)	(61,242)
Cash inflows from new borrowing	266,794	
Net cash provided by (used in) financing activities	<u>209,344</u>	<u>(61,242)</u>
Change in cash and cash equivalents in the reporting period	11,251	17,956
Cash and cash equivalents at the beginning of the reporting period	61,455	43,499
Cash and cash equivalents at the end of the reporting period	<u>72,706</u>	<u>61,455</u>

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

	2021 £	2020 £
Net movement in funds for the reporting period (as per the statement of financial activities)	(17,674)	35,761
Adjustments for:		
Depreciation charges	104,943	112,392
Dividends and interest from investments	-	-
(Increase) / decrease in debtors	25,818	50,895
Increase / (decrease) in creditors	1,425	7,380
Net cash provided by (used in) operating activities	<u>114,512</u>	<u>206,427</u>

Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank	72,706	61,455
Total cash and cash equivalents	<u>72,706</u>	<u>61,455</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 unless stated otherwise.

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.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Kings People's Church

Year Ended 31st December 2021

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.

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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. Corporation tax is charged on the taxable profits generated from charities trading activity.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. Based on the reserves held, the operating model, an assessment of risks, and forward looking budgets, the Trustees are comfortable that the charity is adequately resourced to continue in operation for the foreseeable future. At the date of sign off, the Trustees confirm there are no material uncertainties in relation to the going concern assumption. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

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

Year Ended 31st December 2021

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations and legacies			
Donations	644,236	4,027	648,263
Gift Aid	117,565	-	117,565
Grants	<u>92,782</u>	<u>75,960</u>	<u>168,742</u>
	854,583	79,987	934,570
 Charitable activities			
Hospitality and café income	1,181	-	1,181
Events and activities income	5,672	-	5,672
Courses and training	<u>490</u>	<u>-</u>	<u>490</u>
	7,343	-	7,343
 Trading Activities			
Rental income	102,782	-	102,782
Room hire	<u>71,710</u>	<u>-</u>	<u>71,710</u>
	174,492	-	174,492
 Investment income			
Bank Interest	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-
 Total Income	<u>1,036,418</u>	<u>79,987</u>	<u>1,116,405</u>

During the year the charity received government grants through the Covid-19 job retention scheme. The total amount received during the year was £91,581. All conditions of the grants were met.

Kings People's Church

Year Ended 31st December 2021

Notes to the Financial Statements

Analysis of income (comparative period)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations and legacies			
Donations	549,987	11,320	561,307
Gift Aid	126,193	-	126,193
Grants	<u>82,476</u>	<u>56,550</u>	<u>139,026</u>
	758,656	67,870	826,526
 Charitable activities			
Hospitality and café income	3,512	-	3,512
Events and activities income	3,498	-	3,498
Courses and training	<u>1,656</u>	<u>-</u>	<u>1,656</u>
	8,667	-	8,666
 Trading Activities			
Rental income	40,278	-	40,278
Room hire	<u>75,248</u>	<u>-</u>	<u>75,248</u>
	115,526	-	115,526
 Investment income			
Bank Interest	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-
 Total Income	<u>882,849</u>	<u>67,870</u>	<u>950,718</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 2021

Notes to the Financial Statements

3 Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Premises costs	429,833	60,014	489,847
Administration costs	148,509	1,011	149,520
Mission expenses	442,954	39,641	482,595
Training and development	3,589	1,794	5,383
	<u>1,024,885</u>	<u>102,460</u>	<u>1,127,345</u>

	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>911,978</u>

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 2021
	£	£	£
Governance Costs	6,734	-	6,734
	<u>6,734</u>	<u>-</u>	<u>6,734</u>

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

Kings People's Church

Year Ended 31st December 2021

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 Audit and Independent examination fees

Fees payable to the independent examiner and statutory auditor for:

	2021	2020
	£	£
Independent examination and preparation of the financial statements	-	2,400
Statutory audit of the financial statements	3,000	-

7 Staff costs

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

	2021	2020
	£	£
Wages and salaries	378,452	263,055
Social security costs	21,940	15,201
Employer contributions to pension plans	10,293	8,610
	<u>410,685</u>	<u>286,866</u>

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

	2021	2020
Number of staff members	25	18

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

	2021	2020
More than £60,000	-	-

Key Management Personnel

The key management personnel of the charity are Operations Director, Senior Pastor. The total employment remuneration received during the year by the key management personnel was £96,865 (2020: £92,991).

Kings People's Church

Year Ended 31st December 2021

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 £46,658 (2020: £46,714) together with pension contributions of £5,044 (2020: £5,044).

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 £4,926 (2020: £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 £5,446 (2020: £3,296).

9 Tangible assets

	Land and Buildings £	Fixtures and Fittings £	Equipment £	Total £
Costs				
At 1 January 2021	759,720	147,248	403,920	1,310,887
Additions	286,131	20,315	6,158	312,605
Revaluation	(18,000)	-	-	(18,000)
At 31 December 2021	1,027,850	167,563	410,078	1,605,492
Depreciation				
At 1 January 2021	51,313	121,837	210,223	383,374
Charge	25,289	13,549	66,105	104,943
At 31 December 2021	76,602	135,386	276,329	488,317
Net Book Value				
At 31 December 2021	951,248	32,177	133,750	1,117,175
At 1 January 2021	708,407	25,411	193,696	927,514

The charity's building at Tyldesley church was revalued as at 31st December 2021. The historic cost of the property was £nil.

Kings People's Church

Year Ended 31st December 2021

Notes to the Financial Statements

10 Debtors

	2021	2020
	£	£
Trade Debtors	11,948	5,327
Accrued Income	10,320	24,310
Other Debtors	59,487	77,936
	<u>81,755</u>	<u>107,572</u>

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	10,565	10,739
Accruals	5,400	2,400
Bank borrowings and other loans	73,226	5,028
Obligations under finance leases and hire purchase contracts	61,587	54,996
Deferred income	-	1,401
Other Creditors	-	-
	<u>150,778</u>	<u>74,565</u>

12 Creditors: amounts falling after one year

	2021	2020
	£	£
Bank Loans	343,653	141,570
Obligations under finance leases and hire purchase contracts	105,977	173,504
	<u>449,630</u>	<u>315,074</u>

Kings People's Church

Year Ended 31st December 2021

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:

	2021	2020
	£	£
Bank loan mortgage commitments	351,050	144,003
Obligations under finance leases and hire purchase contracts	167,564	228,500
	<u>518,614</u>	<u>372,504</u>

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

	2021	2020
	£	£
Not later than 1 year	61,587	54,996
Later than 1 year and not later than 5 years	105,977	173,504
	<u>167,564</u>	<u>228,500</u>

Bank loans are denominated in £ and the bank loans are secured by a legal mortgage over the property of the charity.

	Nominal interest rate	Monthly repayment	Month of final instalment	Carrying amount as at 31 Dec 21
	%			£
Blackpool mortgage	6.95	1,505	Jun 2046	210,794
Wigan mortgage	3.75	756	Jul 2045	140,256

done - down reserve. instead.

Kings People's Church

Year Ended 31st December 2021

Notes to the Financial Statements

20% of annual expenditure.

14 Analysis of Charitable Funds

Unrestricted Funds

	1 Jan 21 £	Income £	Expenditure £	Transfers £	Gains/Losses £	31 Dec 21 £
Unrestricted						
General	253,441	1,036,418	(1,006,751)	(195,915)	-	87,193
Revaluation Reserve	350,000	-	-	-	(18,000)	332,000
	603,441	1,036,418	(1,006,751)	(195,915)	(18,000)	419,193
Designated Funds						
Projects, Missions and Events	16,282	-	(24,868)	38,348	-	29,762
Fixed Asset Reserve	-	-	-	200,732	-	200,732
	16,282	-	(24,868)	239,080	-	230,494
Total Unrestricted	619,723	1,036,418	(1,031,619)	43,165	(18,000)	649,687

Restricted Funds

Awards For All	7,548	-	(5,067)	1,808	-	4,289
All Churches Trust	16,719	7,750	(5,206)	(14,085)	-	5,178
Blackpool Building	9,856	-	(4,676)	(5,180)	-	-
Community Grocery	10,100	7,627	(17,727)	56	-	56
Rank Foundation	-	25,000	(25,000)	-	-	-
Garfield Weston	-	10,000	(8,380)	(1,620)	-	-
Sydney and Sheila McGhee Charitable	-	7,500	(4,418)	350	-	3,432
Bolton CVS Summer Holiday Activities	-	14,910	(14,641)	201	-	470
Other small	42,956	7,200	(17,345)	(24,695)	-	8,116
Total	87,179	79,987	(102,460)	(43,165)	-	21,541

Total Funds

Total	706,902	1,116,405	(1,134,079)	-	(18,000)	671,228
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Transfers

A transfer of £43,165 for fixed asset purchased from restricted funds to be held in the general fund at the point of purchase took place in the following funds: Blackpool Building, Community Grocery, Garfield Weston, Bolton CVS Summer Holiday Activities and Projects, Missions and Events.

A transfer of £200,732 to the designated Fixed Asset Reserve fund from the general fund took place to reflect the funds tied up in fixed assets after deducting the related outstanding loans and hire purchase balances.

Kings People's Church

Year Ended 31st December 2021

Notes to the Financial Statements

Unrestricted Funds

	1 Jan 20 £	Income £	Expenditure £	Transfers £	Gains/Losses £	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
Fixed Asset Reserve	-	-	-	-	-	-
	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)	-	-	9,855
Community Grocery	-	10,100	-	-	-	10,100
Other small immaterial funds	39,514	13,105	(9,662)	-	-	42,957
Total	39,514	67,870	(20,205)	-	-	87,179
Total Funds						
Total	671,141	950,720	(914,959)	-	-	706,902

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.

Fixed Asset Reserve Funds earmarked for the funds tied up in fixed assets less any related loan or hire purchase finance balances.

Kings People's Church

Year Ended 31st December 2021

Notes to the Financial Statements

Fund Descriptions (*Continued*)

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.
Rank Foundation	An urgent core grant to help retain vital community services.
Garfield Weston	A grant to kick start our volunteer-led coronavirus support programme.
Sydney and Sheila McGhee Charitable Foundation	This was to fund for a CAP co-ordinator role and help Kings set up a CAP provision.
Bolton CVS Summer Holiday Activities	This was for our Bolton campus to host a four-week summer holiday club for local children.

15 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fixed Assets	1,117,175	-	1,117,175
Current Assets	132,920	21,541	154,461
Creditors less than 1 year	(150,778)	-	(150,778)
Creditors greater than 1 year	(449,630)	-	(449,630)
	<u>649,687</u>	<u>21,541</u>	<u>671,228</u>

	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>

Kings People's Church

Year Ended 31st December 2021

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 £1,842 (2020: £1,760).

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

	2021	2020
	£	£
Georgina Smith	15,945	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	283,461
Later than 1 year but less than 5 years	1,143,724
Later than 5 years	3,390,467
	<u>4,817,652</u>

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

18 Events after the reporting period

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

In January 2022 the legal transfer of a building from Pendlebury Evangelical Church Ltd to Kings Church Ltd took place. The building had been gifted to the charity after the charitable activities were transferred over from Pendlebury Evangelical Church in 2019. The building was transferred at the market value of £315,000.

During August 2022 the charity sold its Wigan campus building for £332,000 of which £139,000 was used to pay the outstanding mortgage on the property.

Kings People's Church

Year Ended 31st December 2021

Notes to the Financial Statements

19 Prior Year Statement of Financial Activities

	Unrestricted Funds £	2020 Restricted Funds £	Total Funds £
Income			
Donations and legacies	758,656	67,870	826,526
Charitable activities	8,667	-	8,667
Trading activities	115,526	-	115,526
Other income	-	-	-
Total Income	882,850	67,870	950,720
Expenditure			
Expenditure on charitable activities	891,772	20,205	911,977
Governance costs	2,982	-	2,982
Total Expenditure	894,754	20,205	914,959
Net income / (expenditure)	(11,904)	47,665	35,761
Net income and net movement in funds			
Total funds brought forward	631,627	39,514	671,141
Transfers	-	-	-
Total funds carried forward	619,723	87,179	706,902