

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 2022



KINGS
Church

Kings People's Church

Year Ended 31st December 2022

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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*
Philip Denney *Appointed 01/01/2023*
Rachel Eden *Appointed 01/01/2023*
Rebekah Fisher *Appointed 01/01/2023*

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
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) is incorporated as a charitable company limited by guarantee and governed by its Memorandum & Articles of Association.

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.

Governance, structure and management continue to be significant matters for ongoing discussion and review amongst the board of trustees. New trustees were appointed with effect from 1 January 2023 to broaden and strengthen the experience and expertise represented by the Board.

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. Derek Smith worked as an area leader throughout 2022 and has subsequently been appointed to the National Leadership Team. His appointment was approved at board level so as not to compromise ongoing activities of Kings People's Church and services delivered to users.

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

Throughout the reporting period, the activities of the charity have been centred on five campus locations - Bolton, Blackpool, Wigan, Salford and Gateshead. 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 where we are located. All our community engagement activities have this as the

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Trustees' Annual Report

primary objective. We work closely with The Message Trust in our Community Grocery at both The Mill, Bolton and Blackpool.

Kings Church continues to expand and review the efficacy of its activities and in 2023, the trustees decided to release the Gateshead campus to operate outside Kings Church as they follow a different strategic direction. Future expansion developments include new campuses and Jesus-centred faith communities which form the basis of our core vision statement.

Other examples of the commitment to meeting our public interest objectives include the ministries of Christians Against Poverty (money management), Secret Angels, Clothes Bank, Who Let the Dads Out, Community events, Community Locker, 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.

Objectives and activities

The objects of the church are to:

- Advance the Christian Faith in accordance with the Statement of Beliefs, in Bolton, Blackpool, Gateshead, Salford and Wigan, 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 mobilise 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.

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

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Trustees' Annual Report

New vision statement

The Core Team decided to revise the vision statement to ensure it still meets the primary objectives of the organisation:

Kings Church exists to establish Jesus-centred faith communities that Reach, Teach, Lead and Release.

Further work will be undertaken to roll this out throughout the coming months.

Volunteers

Kings People's Church could not function without its volunteers who are highly valued. Most of the midweek activities are led by volunteers, all of whom are vetted, DBS checked (when applicable) and provided with induction training and guidance. On a normal Sunday, more than 140 volunteers across all campuses are involved in service delivery. Charity and local community outreach is undertaken by volunteers and coordinated by a paid staff member.

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

After a couple of less active years due to COVID, within 2022, we were able to provide conferences, children's and youth camps and other outreach activities. One highlight was the Persian conference in Germany which was attended by more than 250 participants.

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 each of the Bolton/Persian, Blackpool 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. There has been no professional fundraising in respect of ordinary activities.

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Financial review

This was the first full year without COVID restrictions on normal operating activities, but its effects were still felt throughout the organisation in terms of the increase in needs to be met throughout the local community, but also in the nature of giving behaviour.

Our donors have remained consistent and giving levels remained strong and exceeded the non-designated giving from any earlier years. The trustees took the decision to defer the annual vision offering as its timing coincided with the increased utility bills and the initial impact of the cost-of-living crisis. Offerings exceeded prior levels, even without a vision offering.

There has been an increase in the rental income from room hire activities being more constant throughout the year, although the mix of bookings has changed from regular to more one-off, more cash-generative bookings.

Of note, within the total income included within the SOFA is the charitable transfer of net assets from Pendlebury Evangelical Church to Kings, effected during 2022. The figure included is net of mortgage attaching to the property which was also adopted by Kings.

Expenditure has increased in line with budgeted expectations. Governance costs have increased proportionally to reflect the additional work which is being undertaken in this area together with the additional audit fee.

As noted in the 2021 accounts, the long-awaited Wigan building disposal was completed in August 2022. All proceeds and expenses of the disposal are included within these accounts including a further loss on disposal arising from the final transaction costs on disposal.

There have been significant movements in Fixed Assets to reflect the disposal of Wigan and the acquisition of the Salford building, together with additional expenditure pertaining to leasehold improvements which have been disclosed separately for the first time this year. These have been capitalised as they enhance the value of the leasehold in the building.

Significant reduction in creditors (both long-term and short-term) is as a result of capital repayments of assets on finance lease and the settlement of the Wigan mortgage, in part replaced by the Salford mortgage. In order to reduce ongoing financing charges, a project was begun in 2022 to refinance using long-term assets as collateral - reducing the high cost of borrowing on shorter-term lending.

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 providing new space not only for our 0-18s programme but also significant increase in our community outreach programmes.

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Both Blackpool and Salford assets provide significant opportunity for community outreach development and room hire business to fund the costs of the buildings, with a view that donations will be spent on ministry and mission.

The financial out-turn for the year showed a surplus of £200,589 of which £171,493 was unrestricted and £29,096 was restricted. The surplus was derived in the main by the transfer of charitable activities and net assets from Pendlebury Evangelical Church of £324,562. The funds carried forward at the year end totalled £866,566 made of up £822,456 unrestricted funds and £44,110 restricted funds.

Reserves policy

As part of the ongoing governance review, the reserves policy was updated in January 2023 as follows:

The church aims to maintain free and available reserves equating to 10% of the annual net operating costs. Reserves will be re-assessed regularly and specifically in the following circumstances:

- A significant change in the core operations of Kings Church;
- Information coming to light that casts doubt on future income flows;
- A significant change to the wider environment in which Kings Church operates, including the overarching economic climate;
- Annually, in the event that no other re-assessment has taken place.

Key risks and uncertainties disclosures

The trustees of Kings People's Church acknowledge that responsibility for the management and control of the church rests with them. They understand that an integral part of this management and control is in the area of risk management, the mitigation of recognised risk and the acknowledgement of residual risk.

The trustees have undertaken a preliminary assessment of risks pertaining to the organisation. Some are pervasive and some only impact specific areas. The overall risk management process incorporates other policies and tools supporting the trustees with the mitigation of risk including, but not limited to safeguarding (0-18s and adults), financial controls, Health & safety, governance policies etc.

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Generic risks include (but are not limited to):

- Financial - dependence on limited number of givers
- Governance - lack of structure and direction/succession planning
- Compliance - poor decision-making and breach of regulatory requirements due to weak or non-compliant understanding of regulatory requirements

Several specific risks have been identified as follows:

- Staff Structure and line management to be implemented
- Accountable spending controls required as we grow
- Capital investment in Building Development required to enable us to achieve vision
- Potential for unforeseen capital expenditure from outdated infrastructure
- Articles to be reviewed and updated once structure agreed to reflect new practice

Each of the areas above has a dedicated trustee taking the lead in mitigating the risk.

Plans for future periods

Further building development works are planned in all locations, together with securing more permanent homes for our Wigan and newly onboarded Liverpool campuses.

Additional funding is being sought to facilitate building works for The Mill, to enable further outreach and community use thereof.

There have been some changes in leadership at a local level due to retirement/relocation of campus pastors. Traditionally, campus leaders have been identified from within the organisation, however on this occasion we made the decision to extend the invitation to external applicants. This was a success and is likely to be repeated for future recruitment opportunities.

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Trustees' Annual Report

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	Ian Scholes
Position	Trustee
Date	19/09/2023

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Year Ended 31st December 2022

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 2022, 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 2022 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 2022

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 8), 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.

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Year Ended 31st December 2022

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 2022

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

19/09/2023
Date:.....

Kings People's Church

Year Ended 31st December 2022

Statement of Financial Activities

			2022		2021
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Income					
Donations and legacies		780,071	53,659	833,730	934,570
Charitable activities		90,031	18	90,049	7,343
Trading activities		195,989	-	195,989	174,492
Transfer of charitable activities and net assets		324,562	-	324,562	-
Total income	2	<u>1,390,653</u>	<u>53,677</u>	<u>1,444,330</u>	<u>1,116,405</u>
Expenditure					
Expenditure on charitable activities	3	1,210,746	24,581	1,235,327	1,127,345
Governance costs	4	8,414	-	8,414	6,734
Total expenditure		<u>1,219,160</u>	<u>24,581</u>	<u>1,243,741</u>	<u>1,134,079</u>
Net income / (expenditure) before gains /(losses)		<u>171,493</u>	<u>29,096</u>	<u>200,589</u>	<u>(17,674)</u>
Gain/(loss) on revaluation/disposal of property		(5,251)	-	(5,251)	(18,000)
Net income / (expenditure)		<u>166,242</u>	<u>29,096</u>	<u>195,338</u>	<u>(35,674)</u>
Net income and net movement in funds					
Total funds brought forward		649,687	21,541	671,228	706,902
Transfers		6,527	(6,527)	-	-
Total funds carried forward	14	<u>822,456</u>	<u>44,110</u>	<u>866,566</u>	<u>671,228</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.

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Year Ended 31st December 2022

Statement of Financial Position

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	1,124,777	1,117,175
		<u>1,124,777</u>	<u>1,117,175</u>
Current assets			
Debtors	10	79,619	81,755
Cash at bank and in hand		66,797	72,706
		<u>146,416</u>	<u>154,461</u>
Creditors: amounts falling due within one year	11	116,012	150,778
Net current assets		<u>30,404</u>	<u>3,683</u>
Creditors: amounts falling after one year		288,615	449,630
Net assets	15	<u>866,566</u>	<u>671,228</u>
Funds of the charity			
Restricted funds	14	44,110	21,541
Unrestricted funds	14		
Unrestricted General		10,926	87,193
Revaluation Reserve		-	332,000
Designated funds		811,530	230,494
		<u>822,456</u>	<u>649,687</u>
Total charity funds		<u>866,566</u>	<u>671,228</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 Scholes

Signed on behalf of the Trustees:



Date:

19/09/2023

Kings People's Church

Year Ended 31st December 2022

Statement of Cash Flows

	2022 £	2021 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(25,468)	114,512
	<u>(25,468)</u>	<u>114,512</u>
Cash flows from investing activities:		
Dividends and interest	-	-
Inflow as part of the net assets transfer from Pendlebury Evangelical Church	10,713	-
Purchase of tangible fixed assets	(79,961)	(312,605)
Net proceeds from sale of property	326,749	-
Net cash provided by (used in) investing activities	<u>257,501</u>	<u>(312,605)</u>
Cash flows from financing activities:		
Repayments on borrowing	(237,943)	(57,449)
Cash inflows from new borrowing	-	266,794
Net cash provided by (used in) financing activities	<u>(237,943)</u>	<u>209,344</u>
Change in cash and cash equivalents in the reporting period	(5,910)	11,252
Cash and cash equivalents at the beginning of the reporting period	<u>72,707</u>	<u>61,455</u>
Cash and cash equivalents at the end of the reporting period	<u>66,797</u>	<u>72,707</u>

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

	2022 £	2021 £
Net movement in funds for the reporting period (as per the statement of financial activities)	200,589	(17,674)
Adjustments for:		
Depreciation charges	105,463	104,943
Transfer of charitable activities and net assets	(324,562)	-
Gain/(loss) on revaluation/disposal of property	(5,251)	-
(Increase) / decrease in debtors	2,136	25,818
Increase / (decrease) in creditors	(3,843)	1,425
Net cash provided by (used in) operating activities	<u>(25,468)</u>	<u>114,512</u>

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>66,797</u>	<u>72,706</u>
Total cash and cash equivalents	<u>66,797</u>	<u>72,706</u>

Kings People's Church

Year Ended 31st December 2022

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 member.

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.

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 2022

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 reported in 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 2022

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:

Freehold Land and Buildings are not depreciated on the basis that each one has been subject to significant improvement arising from change of use and planned maintenance. The relevant property markets are kept under review to ensure continuing validity of this policy.

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 which exceed the annual trading limit.

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.

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 2022

Notes to the Financial Statements

2 Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations and legacies			
Donations	664,703	569	665,272
Gift aid	114,771	-	114,771
Grants	597	53,090	53,687
	<u>780,071</u>	<u>53,659</u>	<u>833,730</u>
Charitable activities			
Hospitality and café income	2,779	-	2,779
Events and activities income	79,445	18	79,463
Courses and training	7,807	-	7,807
	<u>90,031</u>	<u>18</u>	<u>90,049</u>
Trading activities			
Rental income	65,406	-	65,406
Room hire	130,583	-	130,583
	<u>195,989</u>	<u>-</u>	<u>195,989</u>
Transfer of charitable activities and net assets			
Transfer of assets	324,562	-	324,562
	<u>324,562</u>	<u>-</u>	<u>324,562</u>
Total income	<u>1,390,653</u>	<u>53,677</u>	<u>1,444,330</u>

In January 2022 the legal transfer of a building from Pendlebury Evangelical Church Ltd to Kings People's Church 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 £360,000 and current assets of totalling £10,713 less mortgage loan commitments of £46,151 totalling £324,562.

Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

Analysis of income (comparative period)

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

During 2021 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 2022

Notes to the Financial Statements

3 Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Premises costs	536,197	275	536,472
Administration costs	160,596	-	160,596
Mission expenses	503,126	22,938	526,064
Training and development	10,827	1,368	12,195
	<u>1,210,746</u>	<u>24,581</u>	<u>1,235,327</u>

	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>

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 2022
	£	£	£
Governance costs	8,414	-	8,414
	<u>8,414</u>	<u>-</u>	<u>8,414</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Governance costs	6,734	-	6,734
	<u>6,734</u>	<u>-</u>	<u>6,734</u>

Kings People's Church

Year Ended 31st December 2022

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 statutory auditor for:

	2022	2021
	£	£
Statutory audit of the financial statements	3,600	3,000

7 Staff costs

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

	2022	2021
	£	£
Wages and salaries	373,063	378,452
Social security costs	20,705	21,940
Employer contributions to pension plans	10,193	10,293
	<u>403,961</u>	<u>410,685</u>

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

	2022	2021
Number of staff members	24	25

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

	2022	2021
More than £60,000	-	-

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 £100,400 (2021: £96,865).

Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

8 Trustee remuneration, expenses and donations

two trustees 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 £48,000 (2021: £46,658) together with pension contributions of £5,044 (2021: £5,044).

Payment was made to Mrs P Clarke under the terms of Kings People's Church standard terms of employment for her role as Operations Director. The amount of the remuneration paid from the 24/06/2022 onwards was £18,377 together with pension contributions of £458.

One trustee received reimbursement for out of pocket expenses for work carried out for charitable activities and not for responsibilities undertaken as a trustee (2021: Two). The total expenses repaid during the year for travel costs and day to day running costs of the church was £2,348 (2021: £5,446).

9 Tangible assets

	Land and Buildings £	Leasehold Improve- ments £	Fixtures and Fittings £	Equipment £	Total £
Costs					
At 1 January 2022	645,038	382,812	167,563	410,078	1,605,491
Additions	365,105	77,738	875	1,348	445,066
Disposal	(332,000)	-	-	-	(332,000)
Revaluation	-	-	-	-	-
At 31 December 2022	678,143	460,550	168,438	411,426	1,718,557
Depreciation					
At 1 January 2022	-	76,602	135,386	276,329	488,317
Charge	-	25,253	13,768	66,442	105,463
At 31 December 2022	-	101,855	149,154	342,771	593,780
Net Book Value					
At 31 December 2022	678,143	358,695	19,284	68,655	1,124,777
At 1 January 2022	645,038	306,210	32,177	133,750	1,117,175

During August 2022 the charity sold its Wigan campus building for £338,100 of which £139,000 was used to pay the outstanding mortgage on the property. 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 £360,000.

Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

10 Debtors

	2022	2021
	£	£
Trade debtors	21,937	11,948
Accrued income	7,486	10,320
Other debtors	50,196	59,487
	<u>79,619</u>	<u>81,755</u>

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	7,422	10,565
Accruals	4,700	5,400
Bank overdrafts, loans and credit cards	37,187	73,226
Other tax and social securities	5,151	-
Obligations under finance leases and hire purchase contracts	61,552	61,587
	<u>116,012</u>	<u>150,778</u>

12 Creditors: amounts falling after one year

	2022	2021
	£	£
Bank loans	244,260	343,653
Obligations under finance leases and hire purchase contracts	44,355	105,977
	<u>288,615</u>	<u>449,630</u>

Kings People's Church

Year Ended 31st December 2022

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:

	2022	2021
	£	£
Bank loan mortgage commitments	250,057	351,050
Obligations under finance leases and hire purchase contracts	105,942	167,564
	<u>355,999</u>	<u>518,614</u>

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

	2022	2021
	£	£
Not later than 1 year	61,587	61,587
Later than 1 year and not later than 5 years	44,355	105,977
	<u>105,942</u>	<u>167,564</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 22
	%	£		£
Blackpool mortgage	6.95	1,505	Jun 2046	204,669
Salford mortgage	3.75	439	Aug 2037	45,388

Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

14 Analysis of Charitable Funds

Unrestricted Funds

	1 Jan 22 £	Income £	Expenditure £	Transfers £	Gains/Losses £	31 Dec 22 £
Unrestricted						
General	87,193	1,390,653	(1,127,956)	(333,713)	(5,251)	10,926
Revaluation reserve	332,000	-	-	(332,000)	-	-
	419,193	1,390,653	(1,127,956)	(665,713)	(5,251)	10,926
Designated Funds						
Projects, Missions and Events	29,762	-	(91,204)	104,194	-	42,752
Fixed asset reserve	200,732	-	-	568,046	-	768,778
	230,494	-	(91,204)	672,240	-	811,530
Total unrestricted	649,687	1,390,653	(1,219,160)	6,527	(5,251)	822,456

Restricted funds

Awards For All	4,289	-	(4,289)	-	-	-
All Churches Trust	5,178	-	(5,178)	-	-	-
Blackpool Building	-	-	-	-	-	-
Community Grocery	56	18,180	(18,236)	-	-	-
Rank Foundation	-	-	-	-	-	-
Garfield Weston	-	-	-	-	-	-
Sydney and Sheila McGhee Charitable	3,432	15,000	(14,924)	-	-	3,508
Bolton CVS Summer Holiday Activities	470	-	(166)	-	-	304
Calm Before the Storm	-	1,000	(1,000)	-	-	-
CAP Life Skills	-	13,348	(4,031)	-	-	9,317
Household Support Fund Grant	-	1,000	-	-	-	1,000
SFD Winter Welcome	-	2,000	(1,150)	-	-	850
Other small immaterial funds	8,116	3,149	24,393	(6,527)	-	29,131
Total	21,541	53,677	(24,581)	(6,527)	-	44,110

Total	671,228	1,444,330	(1,243,741)	-	(5,251)	866,566
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Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

Transfers

Fixed asset purchased from restricted funds to be held in the general fund at the point of purchase took place in the following funds: All Churches Trust and Awards For All.

A transfer of £484,051 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.

Transfer of £320,000 out of the revaluation reserve due to the sale of the Wigan Campus building during the year.

Transfer of £104,194 out of the general fund ringfenced for Projects, Missions and Events.

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

Kings People's Church

Year Ended 31st December 2022

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.

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

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.

Calm Before the Storm 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 setup 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.

Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

15 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fixed assets	1,124,777	-	1,124,777
Current assets	102,306	44,110	146,416
Creditors less than 1 year	(116,012)	-	(116,012)
Creditors greater than 1 year	(288,615)	-	(288,615)
	<u>822,456</u>	<u>44,110</u>	<u>866,566</u>

	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>

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 £1,529 (2021: £1,842).

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:

	2022 £	2021 £
Georgina Smith	25,722	15,945

Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

17 Operating Lease

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

	2022	2021
	£	£
No later than 1 year	276,078	283,461
Later than 1 year but less than 5 years	1,029,364	1,143,724
Later than 5 years	3,066,646	3,390,467
	<u>4,372,088</u>	<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 non adjusting post balance sheet event took place where on the 31st July 2023 the Gateshead Church demerged from Kings People's Church.

Kings People's Church

Year Ended 31st December 2022

Notes to the Financial Statements

19 Prior Year Statement of Financial Activities

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