

Charity Registration No. 1119560

Company Registration No. 6212770 (England and Wales)

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Pauline Quan Arrow Ian Chiddle Emma Curtayne Martin Fakley Richard Hemming Sarah Ann Martin Maurice Redmill Peter Grant	(Appointed 21 September 2020)
Charity number	1119560	
Company number	6212770	
Principal address	Sovereign Place Upper Northam Road Hedge End Southampton Hampshire SO30 4BZ	
Registered office	Sovereign Place Upper Northam Road Hedge End Southampton Hampshire SO30 4BZ	
Auditor	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	
Bankers	Barclays Bank plc PO Box 612 Barclays House Southampton Hampshire BX3 2BB	
	Triodos Bank NV Deanery Road Bristol BS1 5AS	

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Coffin Mew LLP
1000 Lakeside
North Harbour
Portsmouth
Hampshire
PO6 3EN

KING'S COMMUNITY CHURCH (SOUTHAMPTON)

CONSOLIDATED ACCOUNTS

CONTENTS

	Page
Trustees' report	1 - 6
Statement of trustees' responsibilities	7
Independent auditor's report	8 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 35

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The trustees regularly review the aims, objectives and activities of the charity. They have considered the Charity Commission's general guidance on public benefit and its supplementary guidance on the advancement of religion for the public benefit.

King's Community Church (Southampton) is a member of the national body of the Evangelical Alliance and is best described as a bible believing charismatic Christian church. As such, its highest purpose is to honour Jesus Christ as Lord by seeking to love and serve God, each other in the church and those in the world around us. Specifically we aim to:

- Encourage spiritual growth in Christ.
- Provide pastoral care and fellowship.
- Provide opportunities to develop ministry ability and service.
- Outreach in the community around us.
- Engage in international mission.

We seek to further these objects by providing meetings for corporate worship, fellowship and prayer. More intimate fellowship and sharing opportunities come in the regular connect group meetings. There are specific training courses for new Christians and for various ministry skills useful in the church.

We have a number of activities for young people from the church and local community. These include youth events, Kidszone for primary school aged children, Chuckles for parents and toddlers, as well as small group meetings for bible study and worship. Our aim is to make all these meetings relevant to young people so that they are able to come to a personal experience of the love of God and find expression for their faith in him.

Our outreach to the community includes HALO, a lunch club for the elderly, as well as a variety of events that will appeal to those who are unchurched. Church members are involved in various voluntary groups, charitable organisations and also direct evangelical enterprises to win people to Christ. Again, our purpose is for people of all ages to come to a place of faith in Christ.

There is a substantial overseas work called International Outreach which operates across Europe, Africa and Asia. Our aim is to play our part in fulfilling the great commission to make disciples of all nations.

Grant making policy

The trustees consider the making of grants to be an effective way of providing support primarily to overseas churches. In conjunction with the elders they review commitments each year as part of the budget setting process. If additional needs arise, these are presented to the church and an offering is taken up.

Applications for grants are not invited.

Volunteers

The church is involved in a wide range of ministry to the local community and internationally. This would not be possible without the voluntary efforts of a large number of the church's members and the trustees are grateful for all the time they have given, often sacrificially.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

As for so many organisations, the last year has been incredibly challenging as we adapted to the impact of the Covid-19 pandemic. Overnight we lost our conferencing income and were faced with huge uncertainty around the level of voluntary income we could expect. Church members responded in an incredibly generous fashion and despite everything, income from donations has actually increased by 5%. We have also been the recipient of some very generous grants, which have particularly supported our Food Centre and Help Fund.

We moved to an on-line Sunday meeting in March 2020 and when it became clear that the pandemic was going to last for some time, we invested in additional technology to enable us to provide a high-quality live broadcast. Initially this was without the congregation present and as restrictions have eased, with increasing levels of attendance. Our large auditorium has enabled us to have up to 250 people present while still maintaining appropriate social distancing. Our work with children and youth also moved on-line, with specific age-appropriate resources being made available. We have subsequently returned to in-person meetings, but with reduced numbers. Whilst the majority of church members had access to the technology needed to participate in the on-line meetings, we were of course very conscious that there were some who would be excluded. Our pastoral staff, particularly those involved with ministry to the elderly, have kept in contact with people via the telephone and, when permissible, face to face meetings.

Our midweek Connect Group meetings also had to change and Zoom meetings became the norm for so many of us. When restrictions permitted, outdoor face to face meetings in small numbers were the first step and as things have eased, so larger meetings have become possible. We have sought, as much as possible, to meet the spiritual and social needs of church members throughout the year and are grateful for the work of so many to keep connected with each other.

Our community outreach programme increased during the year. We became a Community Hub in Hedge End for Eastleigh Borough Council, which involved doing shopping and other errands for people who were either shielding or self-isolating. We were overwhelmed by the level of volunteering to support this activity with over 100 volunteers from both the church and local community. Our Food Centre has supported more families than ever, with many having lost income because of the pandemic. Our CAP debt-counselling and Parish Nursing services continued to support people in need in the local community.

Because of travel restrictions, there have been no international visits during the year. Nevertheless, we have provided both practical and spiritual to our large number of overseas contacts. Much of this has been through on-line meetings but we have also used our Help Fund to provide much needed financial support.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial review

A substantial proportion of the church's income comes from the regular giving of its members for which the elders and trustees are extremely grateful.

Our Elijah Fund launched in March 2020 raised £116,000. This was originally intended to fund our core costs for the year just ended but because income levels have been higher than expected, the majority has been carried forward to the new financial year. The Trustees allocated £30,000 of the fund towards the refurbishment of toilets in the older building as this was a specific project we had indicated would be funded from the offering.

In March 2020 we also launched a Help Fund with the specific aim of helping those both locally and internationally who were suffering financial hardship because of the Covid-19 pandemic. In total, £103,000 was raised including grants of £40,000. This has enabled us to provide much needed support, with £58,000 being sent overseas, £20,000 being gifted in the local community and £9,000 being used to support church members. The balance of £16,000 will be spent in the coming year.

In March 2021 we established a Rebuild Fund to help with both some specific projects and our general budget as we returned to more normal activity. The projects include the re-roofing of the Hope Centre, the creation of a sensory room at our Hedge End site and some refurbishment work in our older building. Some gifts have been specifically given towards the sensory room rather than the more general Rebuild Fund. These have been kept in a separate Treasure Trove Fund, reflecting the name of our work with children with additional needs.

The church has also benefitted from two other sources of financial support. The government's Job Retention Support Scheme has meant that we have been able to retain our permanent conferencing staff team and avoid redundancies. We also furloughed some ministry staff for a short period. Our mortgage lender, Triodos bank NV, has been particularly supportive. They allowed us to take a 12-month capital holiday and indicated that additional finance was available if we needed it. This helped enormously as we made difficult decisions balancing the need to continue our ministry with the requirement for financial prudence in the face of a much riskier fundraising environment. Without this support things would have been very different.

Reserves

The total funds held by the charitable group at the balance sheet date are £3,031,000 (2020 £2,893,000). Included in this are £305,000 (2020 £126,000) held in restricted funds and £2,565,000 (2020 £2,660,000) held in the fixed assets designated fund.

The trustees have considered a number of factors in reviewing the level of reserves required:

- The current economic climate
- The level of regular giving by church members
- The requirement for working capital
- The amount of reserves tied up in fixed assets
- The ability to raise additional funds should the church face financial difficulty

The trustees consider that the level of free reserves, after allowing for unrestricted reserves tied up in fixed assets and investments, should be between one and three months expenditure.

Free reserves are £159,000 for the church and £161,000 for the group, which is 1.7 months of expenditure. This is an encouraging improvement from 12 months ago and is a significant step towards our business plan target of two months of expenditure.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Risks and uncertainties

The trustees have a risk management strategy that includes an annual review of the principle risks and uncertainties facing the charity and its subsidiaries and the establishment of policies and procedures to mitigate those risks.

The Covid-19 pandemic has brought about huge changes in the way the church operates and the need for new approaches to risk management. In addition to the primary need to keep everyone safe, attention has also been given to the spiritual and practical support of church members and the continuation of ministry both locally and internationally.

Plans for the future

Like so many other organisations our plans have had to be significantly revised in the light of the Covid-19 pandemic. Whilst the fundamentals of what we want to achieve are unchanged, it is the means by which we achieve them that has had to be reconsidered.

Our objectives for the coming year are:

- Start multiple Sunday meetings at our Hedge End site. As of March 2020, we were gathering 800 people each week in our 1,350-capacity auditorium. In regathering, we will be looking to multiply to 2 x 400 meetings which will enable informal social distancing and provide space to grow. In March 2020 our children's work and car park were already full – even without COVID we needed to change things.
- Maintain a high-quality on-line Sunday meeting that sustains the spiritual growth of church members who can't attend physically and is attractive to unchurched members of our local community.
- Create a sensory room to support our work with children who have additional needs. This will be used both on Sundays and midweek for Church activities and midweek for families within the wider local community.
- Re-roof the Hope Centre building and create a programme of activities to meet the needs of the Weston community. This will coincide with the appointment of new volunteer leadership to lead the work at the Hope Centre.
- Reinvestment in our children's and youth work. These areas of Church life are key factors in our Church growth and we are very conscious that, with schools closed for long periods over the last 18 months, families need significant support as we emerge from COVID
- Support and integration of new arrivals from Hong Kong. KCC has seen a significant number of Hong Kong families connect with us since December 2020. This number is likely to grow. They need help in finding accommodation, schooling, medical care, employment, acclimatising to a new culture and establishing new friendships and relationships.

Structure, governance and management

The church was originally established by a Declaration of Trust dated 20 January 1986 and the assets and liabilities were transferred to King's Community Church (Southampton), a company limited by guarantee, on 1 April 2008 in order to improve the administration of the charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Pauline Quan Arrow

Ian Chiddle

Emma Curtayne

Martin Fakley

Richard Hemming

Sarah Ann Martin

Maurice Redmill

Peter Grant

(Appointed 21 September 2020)

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The elders of the church are the members of the company and they appoint the trustees, who remain in office thereafter. The trustees of the charity are drawn from the active members of the church with the appropriate skills for Board membership.

None of the trustees has any beneficial interest in the company.

The trustees focus their attention on strategic and policy issues including key financial decisions. The day to day management of the charity is delegated to a management team consisting of Nicholas Brennan, Andrew Johnston, Tom Williams and Emma Roberts. Spiritual matters are overseen by the elders of the church. The trustees meet from time to time with the elders to ensure that strategy and policy are consistent with the spiritual aims of the church.

The elders of the church during the year were:

Christopher Allison
John Banks
Nicholas Brennan
Martyn Dunsford MBE (resigned 31 October 2020)
Martin Hughes
Andrew Johnston
Maurice Redmill
Timothy Williams (resigned 12 January 2021)
Tom Williams (appointed 27 September 2020)

Christopher Allison, Andrew Johnston, Nicholas Brennan and Tom Williams are employed as pastors and oversee the day to day management of the charity.

The elders of the church are the members of the company and guarantee to contribute £1 in the event of a winding up.

The training of elders and trustees is discussed at their meetings and the church budget includes provision for the costs of any required training to be met.

The Articles of Association provide for a minority of the trustees to be paid. None of the trustees has received any remuneration during the year for their role as Trustees (2020 Nil). Emma Curtayne has been employed as a Children's Worker and her total remuneration for the year was £8,000.

The remuneration of key management is reviewed annually by the Trustees. Each role within the church is subject to an evaluation process that considers its responsibilities and the skills and experience required to fulfil it. Pay scales are compared with the market and similar organisations. Pay levels are generally set below the average for the private & public sectors.

The Trustees have adopted the Charity Governance Code and used an assessment template to understand the current level of compliance. An improvement action plan has been prepared and progress will be monitored during the coming year.

The church has two wholly owned subsidiaries. Northam Developments Ltd was established to undertake the construction of the church's premises at Sovereign Place and other related building work. KCC Enterprises Ltd undertakes commercial activities on behalf of the church. The Trustees have agreed that Northam Developments should be wound up and work on this will be completed shortly.

Asset cover for funds

Note 22 sets out an analysis attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Auditor

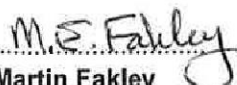
The auditor, Jones Avens Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.


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Martin Fakley

Chairman

Dated: 27 September 2021

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

KING'S COMMUNITY CHURCH (SOUTHAMPTON)

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF KING'S COMMUNITY CHURCH (SOUTHAMPTON)

Opinion

We have audited the financial statements of King's Community Church (Southampton) (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for audits of small entities, in the circumstances set out in note 28 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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.

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.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF KING'S COMMUNITY CHURCH (SOUTHAMPTON)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF KING'S COMMUNITY CHURCH (SOUTHAMPTON)

Identification and assessment of irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures were capable of detecting irregularities, including fraud is detailed below:

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including The Companies Act 2006.
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- reviewing the correspondence with relevant regulatory bodies.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF KING'S COMMUNITY CHURCH (SOUTHAMPTON)

Conclusions regarding the risks of irregularities including fraud

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 non-compliance.

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.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Claire Norwood BSc FCA ATII (Senior Statutory Auditor)
for and on behalf of Jones Avens Limited

5/10/21

Chartered Accountants
Statutory Auditor

Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total 2021 £000	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total 2020 £000
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	723	333	1,056	718	310	1,028
Charitable activities	4	-	4	4	29	12	41
Other trading activities	5	32	-	32	241	-	241
Other income	6	183	-	183	75	-	75
Total income		938	337	1,275	1,063	322	1,385
<u>Expenditure on:</u>							
Raising funds	7	95	-	95	217	-	217
Charitable activities	8	914	128	1,042	859	320	1,179
Total resources expended		1,009	128	1,137	1,076	320	1,396
Net (outgoing)/incoming resources before transfers		(71)	209	138	(13)	2	(11)
Gross transfers between funds	13	30	(30)	-	25	(25)	-
Net (expenditure)/income for the year/							
Net movement in funds		(41)	179	138	12	(23)	(11)
Fund balances at 1 April 2020		2,767	126	2,893	2,755	149	2,904
Fund balances at 31 March 2021		2,726	305	3,031	2,767	126	2,893

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 Group £000	2021 Charity £000	2020 Group £000	2020 Charity £000
Fixed assets					
Tangible assets	14	5,297	5,374	5,390	5,464
Investments	25	-	6	-	6
		<u>5,297</u>	<u>5,380</u>	<u>5,390</u>	<u>5,470</u>
Current assets					
Debtors	15	93	118	134	160
Cash at bank and in hand		432	402	192	162
		<u>525</u>	<u>520</u>	<u>326</u>	<u>322</u>
Creditors: amounts falling due within one year	16	(170)	(167)	(201)	(199)
Net current (liabilities)/assets		<u>355</u>	<u>353</u>	<u>125</u>	<u>123</u>
Total assets less current liabilities		<u>5,652</u>	<u>5,733</u>	<u>5,515</u>	<u>5,593</u>
Creditors: amounts falling due after more than one year	17	(2,621)	(2,621)	(2,622)	(2,622)
Net assets		<u><u>3,031</u></u>	<u><u>3,112</u></u>	<u><u>2,893</u></u>	<u><u>2,971</u></u>
Income funds					
Restricted funds	20	<u>305</u>	<u>305</u>	<u>126</u>	<u>126</u>
<u>Unrestricted funds</u>					
Designated funds	21	<u>2,565</u>	<u>2,648</u>	<u>2,660</u>	<u>2,740</u>
General unrestricted funds		<u>161</u>	<u>159</u>	<u>107</u>	<u>105</u>
Total unrestricted funds		<u>2,726</u>	<u>2,807</u>	<u>2,767</u>	<u>2,845</u>
		<u><u>3,031</u></u>	<u><u>3,112</u></u>	<u><u>2,893</u></u>	<u><u>2,971</u></u>

The financial statements were approved by the Trustees on 27 September 2021



Martin Fakley
Trustee

Company Registration No. 6212770

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	26		309		159
Investing activities					
Purchase of tangible fixed assets		(69)		(59)	
Proceeds on disposal of tangible fixed assets		-		5	
Net cash used in investing activities			(69)		(54)
Financing activities					
Repayment of bank loans		-		(120)	
Net cash used in financing activities			-		(120)
Net increase/(decrease) in cash and cash equivalents			240		(15)
Cash and cash equivalents at beginning of year			192		207
Cash and cash equivalents at end of year			432		192
Relating to:					
Cash at bank and in hand			432		192

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

King's Community Church (Southampton) is a private company limited by guarantee incorporated in England and Wales. The registered office is Sovereign Place, Upper Northam Road, Hedge End, Southampton, Hampshire, SO30 4BZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts consolidate the results of the charity and its wholly owned subsidiaries on a line by line basis.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used or have been raised by the church for particular purposes. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income, including grants, is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed they have been classified as support costs.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expense headings on the basis of time spent.

Grants paid are allocated to areas of activity based on the nature of the work being funded.

Governance costs include the costs of governance arrangements which relate to the general running of the church as a charity. These activities provide the governance infrastructure which allows the church to operate and to generate the information required for public accountability.

Support and governance costs are apportioned to activities on a basis consistent with the use of resources, which is estimated to be:

Church activities	75%
Youth work	5%
Community outreach	10%
International outreach	10%

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Items of less than £1,000 are not capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures, fittings and equipment	20 - 25% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Concessionary loans

Concessionary loans are initially measured at the amount received or paid and are recognised in the balance sheet. In subsequent years the carrying amount is adjusted to reflect any accrued interest payable or receivable. To the extent that a loan that has been made is irrecoverable, an impairment loss is recognised in income and expenditure.

1.14 Consolidation

These accounts have consolidated the results and balance sheet of the trading subsidiaries on a line by line basis. The charitable company's own income and expenditure account is omitted as the exemption under S408 of the Companies Act 2006 has been relied on. The surplus for the charity for the year is £141,000.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £000	2021 £000	2021 £000	2020 £000	2020 £000	2020 £000
Donations and gifts	723	229	952	715	280	995
Grants receivable	-	104	104	3	30	33
	<u>723</u>	<u>333</u>	<u>1,056</u>	<u>718</u>	<u>310</u>	<u>1,028</u>
Grants receivable for core activities						
Catalyst	-	28	28	-	20	20
Veolia Trust	-	-	-	-	2	2
Child's Charitable Trust	-	10	10	-	5	5
Hampshire County Council	-	8	8	-	-	-
All Churches Trust	-	9	9	-	-	-
Eastleigh Borough Council	-	25	25	-	-	-
Vivid Housing Association	-	5	5	-	-	-
Grants under £5,000 each	-	19	19	3	3	6
	<u>-</u>	<u>104</u>	<u>104</u>	<u>3</u>	<u>30</u>	<u>33</u>

The church is grateful for the continued sacrificial giving by its members and the generous support of its grant funders.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Community outreach 2021 £000	Total 2021 £000	Youth work 2020 £000	Community outreach 2020 £000	Total 2020 £000
Sales within charitable activities	4	4	27	14	41
Analysis by fund					
Unrestricted funds	-	-	25	4	29
Restricted funds	4	4	2	10	12
	4	4	27	14	41

5 Other trading activities

	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Non-charitable trading activities	32	241

6 Other income

	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Net gain on disposal of tangible fixed assets	-	5
Car park rental and miscellaneous income	6	12
Office rent	70	42
Glenbourne rent	12	12
Recharges to related charity	1	4
Coronavirus Job Retention Scheme grants	94	-
	183	75

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£000	£000
<u>Fundraising and publicity</u>		
Other fundraising costs	1	-
	<u>1</u>	<u>-</u>
<u>Trading costs</u>		
Operating trading company undertaking non-charitable trading activity	86	210
Other trading activities	8	7
	<u>94</u>	<u>217</u>
Trading costs	<u>95</u>	<u>217</u>

8 Charitable activities

	Church activities	Youth work	Community outreach	International outreach	Total 2021	Total 2020
	2021	2021	2021	2021		
	£000	£000	£000	£000	£000	£000
Activities undertaken directly	610	81	45	43	779	966
Grant funding of activities (see note 9)	96	-	3	17	116	64
Share of support costs (see note 10)	104	7	14	14	139	139
Share of governance costs (see note 10)	6	-	1	1	8	10
	<u>816</u>	<u>88</u>	<u>63</u>	<u>75</u>	<u>1,042</u>	<u>1,179</u>
Analysis by fund						
Unrestricted funds	714	88	49	63	914	859
Restricted funds	102	-	14	12	128	320
	<u>816</u>	<u>88</u>	<u>63</u>	<u>75</u>	<u>1,042</u>	<u>1,179</u>

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

(Continued)

For the year ended 31 March 2020

	Church activities £000	Youth work £000	Community outreach £000	International outreach £000	Total 2020 £000
Activities undertaken directly	674	124	65	103	966
Grant funding of activities (see note 9)	20	-	1	43	64
Share of support costs (see note 10)	104	7	14	14	139
Share of governance costs (see note 10)	7	1	1	1	10
	<u>805</u>	<u>132</u>	<u>81</u>	<u>161</u>	<u>1,179</u>
Analysis by fund					
Unrestricted funds	609	121	46	83	859
Restricted funds	196	11	35	78	320
	<u>805</u>	<u>132</u>	<u>81</u>	<u>161</u>	<u>1,179</u>

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

9	Grants payable	Church activities 2021 £000	Community outreach 2021 £000	International outreach 2021 £000	Total 2021 £000	Church activities 2020 £000	Community outreach 2020 £000	International outreach 2020 £000	Total 2020 £000
	Grants to institutions:								
	Cyprus Church	-	-	-	-	-	-	4	4
	People's Church, Yangon, Myanmar	-	-	-	-	-	-	2	2
	Living Waters Church, Korce, Albania	3	-	4	7	-	-	3	3
	Care and Relief for the Young	4	-	1	5	14	-	-	14
	Life Bridging Works	1	-	2	3	-	-	-	-
	Catalyst	5	-	-	5	-	-	-	-
	Shalom Church, Lovce, Bulgaria	5	-	-	5	-	-	-	-
	Bethel Church, Tirana, Albania	2	-	-	2	-	-	2	2
	Shalom Church, Vratsa, Bulgaria	6	-	-	6	-	-	7	7
	Bethel Miracle Centre, Tanzania	20	-	-	20	-	-	8	8
	Holy Dwelling Place, Lilongwe, Malawi	9	-	-	9	-	-	-	-
	NewDay, Norfolk	5	-	-	5	-	-	-	-
	Grants under £3,000	13	-	10	23	-	-	9	9
		<u>73</u>	<u>-</u>	<u>17</u>	<u>90</u>	<u>14</u>	<u>-</u>	<u>35</u>	<u>49</u>
	Grants to individuals	23	3	-	26	6	1	8	15
		<u>96</u>	<u>3</u>	<u>17</u>	<u>116</u>	<u>20</u>	<u>1</u>	<u>43</u>	<u>64</u>

The church has established connections with a number of churches overseas through the preaching ministry of its senior pastor, Martyn Dunsford. Offerings are taken up on a regular basis to support those churches and also related charitable projects. Occasional offerings are taken up for Christian ministries and to meet the needs of local people in necessitous circumstances.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10 Support costs

	Support costs £000	Governance costs £000	2021 £000	Support costs £000	Governance costs £000	2020 £000
Staff costs	69	-	69	68	-	68
Other costs	70	1	71	71	-	71
Audit fees	-	4	4	-	4	4
Accountancy	-	3	3	-	3	3
Accountancy under provided in 2018	-	-	-	-	3	3
	<u>139</u>	<u>8</u>	<u>147</u>	<u>139</u>	<u>10</u>	<u>149</u>
Analysed between Charitable activities	<u>139</u>	<u>8</u>	<u>147</u>	<u>139</u>	<u>10</u>	<u>149</u>

Governance costs includes payments to the auditors of £4,000 (2020- £4,000) for audit fees for the charity. There are also audit fees of £2,000 (2020 - £1,000) for the subsidiaries which are included in expenditure on raising funds. There are also payments to the auditors for non-audit work of £3,000 (2020 - £3,000).

11 Trustees

The Articles of Association provide for a minority of the trustees to be paid. None of the trustees has received any remuneration during the year for their role as Trustees (2020 Nil). From 6 January 2020 Emma Curtayne has been employed as a Children's Worker and her total remuneration for the year was £8,000 (2020 - £2,000).

No expenses were reimbursed to trustees (2020 - Nil).

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Employees

The average monthly number of employees during the year, calculated on a full-time equivalent basis, was:

	2021	2020
	Number	Number
Church activities	9	9
Youth work	3	3
Community outreach	1	1
International outreach	1	1
Management and administration	2	2
Subsidiary companies	3	6
	<u>19</u>	<u>22</u>

Employment costs

	2021	2020
	£000	£000
Wages and salaries	503	557
Social security costs	23	20
Other pension costs	23	24
	<u>549</u>	<u>601</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Transfers

There is a transfer of £30,000 from restricted to unrestricted funds as there have been toilet refurbishment costs capitalised as fixed assets purchased out of restricted funds.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

Group	Freehold land and buildings	Fixtures, fittings and equipment	Total
	£000	£000	£000
Cost			
At 1 April 2020	6,272	458	6,730
Additions	5	64	69
Disposals	-	(5)	(5)
At 31 March 2021	6,277	517	6,794
Depreciation and impairment			
At 1 April 2020	1,032	308	1,340
Depreciation charged in the year	109	53	162
Eliminated in respect of disposals	-	(5)	(5)
At 31 March 2021	1,141	356	1,497
Carrying amount			
At 31 March 2021	5,136	161	5,297
At 31 March 2020	5,240	150	5,390
Charity			
	Freehold land and buildings	Fixtures, fittings and equipment	Total
	£000	£000	£000
Cost			
At 1 April 2020	6,374	415	6,789
Transfer in from Northam Developments Ltd	-	6	6
Additions	5	64	69
Disposals	-	(5)	(5)
At 31 March 2021	6,379	480	6,859
Depreciation and impairment			
At 1 April 2020	1,050	275	1,325
Transfer in from Northam Developments Ltd	-	6	6
Depreciation charged in the year	111	48	159
Eliminated in respect of disposals	-	(5)	(5)
At 31 March 2021	1,161	324	1,485
Carrying amount			
At 31 March 2021	5,218	156	5,374
At 31 March 2020	5,324	140	5,464

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

(Continued)

The freehold land and buildings are subject to a charge in favour of Triodos Bank NV.

15 Debtors

	2021 Group £000	2021 Charity £000	2020 Group £000	2020 Charity £000
Amounts falling due within one year:				
Trade debtors	8	-	61	6
Amounts due from subsidiary undertakings	-	33	-	81
Other debtors	69	69	60	60
Loans given	2	2	4	4
Prepayments and accrued income	14	14	9	9
	<u>93</u>	<u>118</u>	<u>134</u>	<u>160</u>

The church has provided a rent deposit of £2,000 (2020 - £4,000) for one of its members, which is held by a local estate agent in its client account. No interest is payable and the deposit will be returned at the end of the tenancy provided all rent and charges have been paid.

16 Creditors: amounts falling due within one year

	Notes	2021 Group £000	2021 Charity £000	2020 Group £000	2020 Charity £000
Bank loans	18	111	111	108	108
Other taxation and social security		5	5	16	16
Trade creditors		20	20	46	42
Amounts due to subsidiary undertakings		-	2	-	10
Accruals, deferred income and other creditors		34	29	31	23
		<u>170</u>	<u>167</u>	<u>201</u>	<u>199</u>

17 Creditors: amounts falling due after more than one year

	Notes	2021 £000	2020 £000
Bank loans	18	<u>2,621</u>	<u>2,622</u>

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

18 Loans and overdrafts

	2021	2020
	£000	£000
Bank loans	2,732	2,730
	<u> </u>	<u> </u>
Payable within one year	111	108
Payable after one year	2,621	2,622
	<u> </u>	<u> </u>
Amounts included above which fall due after five years:		
Payable by instalments	2,154	2,165
	<u> </u>	<u> </u>

The church has a long term loan of £2,732,000 from Triodos Bank NV, which is secured on its buildings. The loan is at a fixed interest rate of 3.25% and is repayable on a reducing balance basis. On 9 April 2020 it was agreed that between April 2020 and March 2021 there would be monthly interest only repayments. There would then be interest and capital repayments until August 2039. During the year there were interest payments on this loan of £89,000 (2020 - £98,000).

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund with the Pensions Trust. The church matches employee contributions up to 5% of salary.

The charge to profit or loss in respect of defined contribution schemes was £23,000 (2020 - £24,000). The pension creditor at the balance sheet date is £4,000 (2020 - £0).

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2019 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance at 1 April 2020 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance at 31 March 2021 £000
Food Centre Fund	5	4	(5)	-	4	54	(5)	-	53
Rebuild Fund	-	-	-	-	-	127	-	-	127
Wildfires Fund	90	67	(157)	-	-	-	-	-	-
Love the Solent Fund	19	-	(15)	-	4	-	(4)	-	-
Veolia Fund	18	2	-	(20)	-	-	-	-	-
Elijah Fund	-	77	-	-	77	39	-	(30)	86
Help Fund	-	29	-	-	29	74	(87)	-	16
Totton Fund	-	29	(20)	(5)	4	1	(5)	-	-
Treasure Trove Fund	-	-	-	-	-	10	-	-	10
Other restricted Funds	17	114	(123)	-	8	32	(27)	-	13
	149	322	(320)	(25)	126	337	(128)	(30)	305

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

20 Restricted funds

(Continued)

The Food Centre Fund is monies raised for the Food Centre Project.

The Rebuild Fund is for a number of investment projects and for general purposes.

The Wildfires Fund was for general expenditure in 2019/20.

The Love the Solent Fund was for expenditure on community focussed projects, particularly our CAP Debt Centre, Parish Nursing and the Hope Centre.

The Veolia Fund represented unspent grant from Veolia that was spent refurbishing the Hope Centre during 2019/20.

The Elijah Fund is for toilet refurbishment costs of £30,000 which occurred in 2020/21 and for general purposes in 2021/22.

The Help Fund is to provide support to people affected by the Covid-19 pandemic both locally and internationally.

The Totton Fund is for both the launch and ongoing costs of starting the new site in Totton.

The Treasure Trove Fund is for the creation of a sensory room for people with additional needs.

Other restricted funds are a large number of small funds, which have been given for specific ministries of the church. The church holds sufficient cash balances to enable them to be applied.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Group	Balance at 1 April 2019 £000	Transfers £000	Balance at 1 April 2020 £000	Transfers £000	Balance at 31 March 2021 £000
Fixed Asset Fund	2,646	14	2,660	(95)	2,565
	<u>2,646</u>	<u>14</u>	<u>2,660</u>	<u>(95)</u>	<u>2,565</u>

Charity	Balance at 1 April 2019 £000	Transfers £000	Balance at 1 April 2020 £000	Transfers £000	Balance at 31 March 2021 £000
Fixed Asset Fund	2,721	19	2,740	(92)	2,648
	<u>2,721</u>	<u>19</u>	<u>2,740</u>	<u>(92)</u>	<u>2,648</u>

The Fixed Asset Fund is a designated fund that represents reserves invested in fixed assets and investments and, therefore, not generally available for use. There was a transfer from the Fixed Asset Fund to the General Fund of £95,000 for the group and £92,000 for the church because there was a decrease in the value of fixed assets funded from reserves.

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

22 Analysis of net assets between funds

Group	Unrestricted Funds		Designated Funds		Restricted Funds		Total		Unrestricted Funds		Designated Funds		Restricted Funds		Total	
	2021	£000	2021	£000	2021	£000	2021	£000	2020	£000	2020	£000	2020	£000	2020	£000
Fund balances at 31 March 2021 are represented by:																
Tangible assets	-		5,297		-		5,297		-		5,390		-		5,390	
Current assets/(liabilities)	161		(111)		305		355		107		(108)		126		125	
Long term liabilities	-		(2,621)		-		(2,621)		-		(2,622)		-		(2,622)	
	161		2,565		305		3,031		107		2,660		126		2,893	

Charity	Unrestricted Funds		Designated Funds		Restricted Funds		Total		Unrestricted Funds		Designated Funds		Restricted Funds		Total	
	2021	£000	2021	£000	2021	£000	2021	£000	2020	£000	2020	£000	2020	£000	2020	£000
Fund balances at 31 March 2021 are represented by:																
Tangible assets	-		5,374		-		5,374		-		5,464		-		5,464	
Investments	-		6		-		6		-		6		-		6	
Current assets/(liabilities)	159		(111)		305		353		105		(108)		126		123	
Long term liabilities	-		(2,621)		-		(2,621)		-		(2,622)		-		(2,622)	
	159		2,648		305		3,112		105		2,740		126		2,971	

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £0 (2020 - £1,000). The operating lease payments recognised as an expense in the year are £1,000 (2020 - £2,000).

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£000	£000
Aggregate compensation	200	195

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year the church received £25,000 (2020 - £39,000) under the Gift Aid scheme from KCC Enterprises Ltd, a 100% subsidiary. The church recharged salary costs of £6,000 (2020 - £115,000) to KCC Enterprises Ltd.

Ian Chiddle is a trustee of Care and Relief for the Young Ltd. During the year the church made donations to Care and Relief for the Young Ltd of £1,000 (2020 - £14,000) and grants to them of £4,000 (2020 - £0), purchased equipment from them of £0 (2020 - £1,000) and paid postage recharges to them of £1,000 (2020 - £0). The church also received £1,000 (2020 - £4,000) for recharged services.

Martin Fakley is a trustee of Seedfund Ltd. During the year the church made a grant payment to Seedfund Ltd of £1,000 (2020 - £0).

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

25 Subsidiaries

These financial statements are consolidated charity financial statements for the King's Community Church (Southampton) group.

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
KCC Enterprises Ltd - Company no. 7992952	England	Corporate events	Ordinary	100.00
Northam Developments Ltd - Company no. 2933627	England	Construction	Ordinary	100.00

The investments in subsidiaries are all stated at cost.

Both of the subsidiary companies are included in these consolidated accounts and they have the same registered office as the parent.

The accounts for the trading subsidiaries show the following information at 31 March 2021 and for the year then ended:

	KCC Enterprises Ltd £000	Northam Developments Ltd £000
Total assets	38	4
Total liabilities	35	1
Total funds	3	3
Total turnover	32	-
Total expenditure	12	1
Profit/(Loss) for the year	20	(1)

26 Cash generated from operations	2021 £000	2020 £000
Surplus/(deficit) for the year	138	(11)
Adjustments for:		
Gain on disposal of tangible fixed assets	-	(5)
Depreciation and impairment of tangible fixed assets	162	165
Movements in working capital:		
(Increase)/decrease in stocks	-	2
Decrease/(increase) in debtors	41	(11)
(Decrease)/increase in creditors	(32)	19
Cash generated from operations	309	159

KING'S COMMUNITY CHURCH (SOUTHAMPTON)
CONSOLIDATED ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

27 Analysis of changes in net (debt)/funds

	At 1 April 2020 £000	Cash flows £000	At 31 March 2021 £000
Cash at bank and in hand	192	240	432
Loans falling due within one year	(108)	(3)	(111)
Loans falling due after more than one year	(2,622)	1	(2,621)
	<u>(2,538)</u>	<u>238</u>	<u>(2,300)</u>

28 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of FRC Ethical Standard 2016 - Provisions Available for Audits of Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts and corporation tax returns.

