

Charity registration number 1119560

Company registration number 06212770 (England and Wales)

**KINGS COMMUNITY CHURCH (SOUTHAMPTON)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



**Caladine**

Chartered Certified Accountants

## KINGS COMMUNITY CHURCH (SOUTHAMPTON)

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr I Chiddle	
	Ms E Curtayne	
	Mr M Fakley	
	Mr P Grant	
	Mr R Hemming	
	Ms S Lau	(Appointed 16 January 2023)
	Mr S McIntyre	(Appointed 16 January 2023)
	Mrs H Quarshie	(Appointed 16 January 2023)
	Mr J Treacher	(Appointed 16 January 2023)
<b>Secretary</b>	Mr G Brombley	
<b>Charity number</b>	1119560	
<b>Company number</b>	06212770	
<b>Registered office</b>	Sovereign Place Upper Northam Road Hedge End Southampton Hampshire SO30 4BZ	
<b>Auditor</b>	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	
<b>Bankers</b>	Barclays Bank plc PO Box 612 Barclays House Southampton Hampshire BX3 2BB	
	Triodos Bank NV Deanery Road Bristol BS1 5AS	

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# **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

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## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

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 events for youth and 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 a ministry 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.

Since the retirement of Martyn Dunsford at the end of last year, our international activity has been focussed on a more limited number of connections, particularly in Tanzania, Bulgaria, Pakistan and Egypt.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

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.

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Achievements and performance**

The additional capacity provided by the move to two Sunday meetings has enabled us to grow substantially during the year. We achieved our ambitious target of 25% growth, and Sunday attendance at Hedge End is in excess of 800 adults and children.

Growth at our Totton site has taken longer than expected. The site was completely closed during the Covid pandemic and this means we have effectively started from scratch in building a completely new congregation, albeit supported by a core of church members who transferred from Hedge End. Average attendance is around 65 adults and children, which is substantially short of our target of 100.

Our plan for a third congregation at an additional site to be launched in 2023/24 is progressing well. We already have a community building in the Weston area of Southampton, which has been refurbished over the last four years. We have developed a partnership with the local Anglican Church, Holy Trinity Weston and successfully applied for grant funding which will enable a new church to be started in the coming months.

Our commercial business has recovered from the Covid lockdown much more quickly than expected. We have significantly exceeded our budgeted profit of £50,000.

The construction of a sensory room has been delayed. Initially this was due to difficulties in getting architects drawings completed although this was eventually done and planning permission has been granted. However, costs have jumped significantly since the project was first mooted and the Trustees have decided to pause it until the financial picture is clearer.

Our Community Outreach activities have been sustained throughout the year, supporting people in need in our local area. Our Food Centre has seen significantly increased activity and we are grateful for the many organisations and individuals that have supported it through grants and donations of food.

Our International ministry has seen a strong year of recovery post-COVID. With all parts of the world now "open for business", we have been able to support churches in Tanzania to deal with a combination of COVID restrictions, famine and floods which are making life extremely difficult for the local population. We have been able to acquire funding of £10,000 to support the Churches from the Childs Trust, as well as invest some KCC funds and money from Catalyst Network.

We have also been able to support churches in Ukraine by sending a total of £15,000 via CRY (Care and Relief of the Young) and the Catalyst Network.

Relationship with the Shalom network of churches in north-west Bulgaria continues to be strong. Over the past 12 months we have channeled our efforts into supporting two new church-plants, one in Byala Slatina and the other in Montana.

As well as financial support we have been able to support churches relationally with trips throughout the year including to Bulgaria, Pakistan, Tanzania and Egypt.

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **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. Total donation income was £1,065,612, an increase of £107,571 (11% from the previous year (2022: £958,041))

Included in these donations was the Special offering 2023. £151,129 (2022: £141,000) was raised towards the core costs of the church including community outreach ministries and the mortgage repayments. The special offering has been classed as unrestricted funds instead of restricted as in previous years.

Our conferencing and cafe activity has recovered well following the Covid pandemic and achieved a profit of £80,642 (2022: £8,130)

Expenditure has been kept constantly under review with the priority being to continue as much ministry as possible within the bounds of financial prudence. In the difficult times we have been through, it has been important to support church members pastorally and provide services to the community through our outreach programme.

The church owns the property, 9 Upper Northam Close (Glenbourne), this has been moved from fixed assets to an investment in the accounts as it is no longer being used for ministry and is being let out to tenants.

The total funds held by the charitable group at the balance sheet date are £3,336,798 (2022: £3,063,354, following the restatement outlined elsewhere in the accounts). Included in this are £126,811 (2022: £279,614) held in restricted funds and £2,895,960 (2022: £2,637,604) 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 £232,515 for the Church and £314,027 for the group, which is around 2 months of expenditure.

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.

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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##### **Plans for future periods**

Following a year of re-setting much of what we do in the post-Covid environment, we are well placed to continue our growth strategy and fulfil our mission of preaching the gospel across the Solent area.

Our objectives for the coming year are:

- Focus more attention on evangelism ministry through preaching and teaching in order to see 10% of the church actively engaged in personal evangelism.
- Increase the number of volunteers on serving teams by 30% with 70% of members serving in at least one role
- Develop the leadership of all ministry departments so that there is a clear pipeline of new leaders.
- Provide mentor / mentee relationships for all key leaders
- In partnership with Holy Trinity, Weston, plant a new church based at the Hope Centre.
- Grow the congregation at Totton to 100 children and adults
- Review our ministry to the elderly ministry and ensure this is fit for purpose

##### **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 Kings 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:

Mr I Chiddle	
Ms E Curtayne	
Mr M Fakley	
Mr P Grant	
Mr R Hemming	
Ms S Lau	(Appointed 16 January 2023)
Mr S McIntyre	(Appointed 16 January 2023)
Mrs H Quarshie	(Appointed 16 January 2023)
Mr J Treacher	(Appointed 16 January 2023)
Mr M Redmill	(Resigned 31 July 2022)



## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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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 Andrew Johnston, Nicholas Brennan, 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:

Sam Afari (appointed 26 March 2023)  
Christopher Allison  
John Banks  
Nicholas Brennan  
Martin Hughes  
Andrew Johnston  
Christopher Johnston  
Victor Lau (appointed 26 March 2023)  
Maurice Redmill  
Tom Williams

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 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 one wholly owned subsidiary, KCC Enterprises Ltd, which undertakes commercial activities on behalf of the church.



## KINGS COMMUNITY CHURCH (SOUTHAMPTON)

### TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Statement of trustees responsibilities

The trustees, who are also the directors of Kings 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.

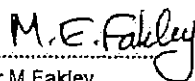
#### Auditor

The auditor, Jones Avens Limited, is deemed to be re-appointed under s487(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.

The trustees report was approved by the Board of Trustees.



Mr M Fakley  
Trustee

Date: 7/11/23

## KINGS COMMUNITY CHURCH (SOUTHAMPTON)

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF KINGS COMMUNITY CHURCH (SOUTHAMPTON)

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##### Opinion

We have audited the financial statements of Kings Community Church (Southampton) (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company and group's affairs as at 31 March 2023 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 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. The trustees are responsible for the other information contained within the annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

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##### **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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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.

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

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##### **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.

##### **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.

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

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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 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 company's members 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 company and the 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

15/11/23

**Chartered Accountants**  
**Statutory Auditor**

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



# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## STATEMENT OF FINANCIAL ACTIVITIES (CONSOLIDATED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income from:</b>							
Donations and legacies	3	980,894	84,718	1,065,612	710,703	247,338	958,041
Charitable activities	4	21,324	1,416	22,740	6,725	8,827	15,552
Other trading activities	5	221,748	-	221,748	98,873	-	98,873
Investments	6	563	-	563	28	-	28
Other income	7	108,601	-	108,601	103,578	-	103,578
<b>Total income</b>		<b>1,333,130</b>	<b>86,134</b>	<b>1,419,264</b>	<b>919,907</b>	<b>256,165</b>	<b>1,176,072</b>
<b>Expenditure on:</b>							
Raising funds	8	146,762	-	146,762	103,962	-	103,962
Charitable activities	9	1,179,090	117,868	1,296,958	875,769	247,255	1,123,024
<b>Total expenditure</b>		<b>1,325,852</b>	<b>117,868</b>	<b>1,443,720</b>	<b>979,731</b>	<b>247,255</b>	<b>1,226,986</b>
Net gains/(losses) on investments	14	297,900	-	297,900	(1,902)	-	(1,902)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>305,178</b>	<b>(31,734)</b>	<b>273,444</b>	<b>(61,726)</b>	<b>8,910</b>	<b>(52,816)</b>
Gross transfers between funds	24	121,069	(121,069)	-	34,000	(34,000)	-
<b>Net income/(expenditure) for the year</b>		<b>426,247</b>	<b>(152,803)</b>	<b>273,444</b>	<b>(27,726)</b>	<b>(25,090)</b>	<b>(52,816)</b>
<b>Net movement in funds</b>		<b>426,247</b>	<b>(152,803)</b>	<b>273,444</b>	<b>(27,726)</b>	<b>(25,090)</b>	<b>(52,816)</b>
Fund balances at 1 April 2022		2,783,740	279,614	3,063,354	2,811,466	304,704	3,116,170
<b>Fund balances at 31 March 2023</b>		<b>3,209,987</b>	<b>126,811</b>	<b>3,336,798</b>	<b>2,783,740</b>	<b>279,614</b>	<b>3,063,354</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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



# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## STATEMENT OF FINANCIAL ACTIVITIES (CHARITY ONLY) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	980,894	84,718	1,065,612	710,703	247,338	958,041
Charitable activities	4	21,324	1,416	22,740	6,725	8,827	15,552
Investments	6	563	-	563	9,301	-	9,301
Other income	7	106,101	-	106,101	169,412	-	169,412
<b>Total income</b>		<b>1,108,882</b>	<b>86,134</b>	<b>1,195,016</b>	<b>896,141</b>	<b>256,165</b>	<b>1,152,306</b>
<b>Expenditure on:</b>							
Raising funds	8	-	-	-	79,053	-	79,053
Charitable activities	9	1,179,090	117,868	1,296,958	874,626	247,255	1,121,881
<b>Total expenditure</b>		<b>1,179,090</b>	<b>117,868</b>	<b>1,296,958</b>	<b>953,679</b>	<b>247,255</b>	<b>1,200,934</b>
Net gains/(losses) on investments	14	297,900	-	297,900	(1,902)	-	(1,902)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>227,692</b>	<b>(31,734)</b>	<b>195,958</b>	<b>(59,440)</b>	<b>8,910</b>	<b>(50,530)</b>
Gross transfers between funds	24	121,069	(121,069)	-	34,000	(34,000)	-
<b>Net income/(expenditure) for the year</b>		<b>348,761</b>	<b>(152,803)</b>	<b>195,958</b>	<b>(25,440)</b>	<b>(25,090)</b>	<b>(50,530)</b>
Fund balances at 1 April 2022		2,779,714	279,614	3,059,328	2,805,154	304,704	3,109,858
<b>Fund balances at 31 March 2023</b>		<b>3,128,475</b>	<b>126,811</b>	<b>3,255,286</b>	<b>2,779,714</b>	<b>279,614</b>	<b>3,059,328</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## BALANCE SHEET (CONSOLIDATED)

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets		4,934,580		5,261,324	
Investment property		495,000		-	
		5,429,580		5,261,324	
<b>Current assets</b>					
Stocks		774		774	
Debtors		225,311		138,282	
Cash at bank and in hand		362,821		421,595	
		588,906		560,651	
<b>Creditors: amounts falling due within one year</b>		(237,886)		(245,236)	
Net current assets		351,020		315,415	
<b>Total assets less current liabilities</b>		5,780,600		5,576,739	
<b>Creditors: amounts falling due after more than one year</b>	22	(2,443,802)		(2,513,385)	
<b>Net assets</b>		3,336,798		3,063,354	
<b>Income funds</b>					
Restricted funds	24	126,811		279,614	
<u>Unrestricted funds</u>					
Designated funds:					
Fixed Asset fund		2,895,960		2,639,877	
		2,895,960		2,639,877	
General unrestricted funds		314,027		143,863	
		3,209,987		2,783,740	
		3,336,798		3,063,354	

The financial statements were approved by the Trustees on 7/11/23

M.E. Fakley

Mr M Fakley  
Trustee

Company registration number 06212770

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## BALANCE SHEET (CHARITY ONLY)

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	16	4,930,368		5,255,249	
Investment property	17	495,000		-	
Investments	29	1,000		1,000	
		<u>5,426,368</u>		<u>5,256,249</u>	
<b>Current assets</b>					
Debtors	19	177,633		152,349	
Cash at bank and in hand		330,861		407,327	
		<u>508,494</u>		<u>559,676</u>	
<b>Creditors: amounts falling due within one year</b>	20	(235,774)		(243,212)	
Net current assets		<u>272,720</u>		<u>316,464</u>	
<b>Total assets less current liabilities</b>		<u>5,699,088</u>		<u>5,572,713</u>	
<b>Creditors: amounts falling due after more than one year</b>	21	(2,443,802)		(2,513,385)	
<b>Net assets</b>		<u>3,255,286</u>		<u>3,059,328</u>	
<b>Income funds</b>					
Restricted funds	24	126,811		279,614	
<u>Unrestricted funds</u>					
Designated funds:					
Fixed Asset fund	25	2,895,960		2,637,604	
		<u>2,895,960</u>		<u>2,637,604</u>	
General unrestricted funds		232,515		142,110	
		<u>3,128,475</u>		<u>2,779,714</u>	
		<u>3,255,286</u>		<u>3,059,328</u>	

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30		80,680		148,994
<b>Investing activities</b>					
Purchase of tangible fixed assets		(46,724)		(48,088)	
Proceeds from disposal of investments		-		(1,902)	
Investment income received		563		28	
<b>Net cash used in investing activities</b>			(46,161)		(49,962)
<b>Financing activities</b>					
Repayment of bank loans		(93,293)		(109,205)	
<b>Net cash used in financing activities</b>			(93,293)		(109,205)
<b>Net decrease in cash and cash equivalents</b>			(58,774)		(10,173)
Cash and cash equivalents at beginning of year			421,595		431,768
<b>Cash and cash equivalents at end of year</b>			362,821		421,595

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Company Information

Kings Community Church (Southampton) is a private company limited by guarantee incorporated in England and Wales governed by its Memorandum and Articles of Association dated 13 April 2007. 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 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. 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.

## KINGS COMMUNITY CHURCH (SOUTHAMPTON)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies (Continued)

##### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

##### 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.

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 basis:

Freehold land and buildings	2% Straight Line
Fixtures and fittings	20% Straight Line
Motor vehicles	20% Reducing Balance

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 the statement of financial activities.

##### 1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

##### 1.8 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).

##### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### 1.10 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.



# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies (Continued)

#### 1.11 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.

#### 1.12 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.

#### 1.13 Retirement benefits

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

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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#### **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.

# **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2023**

### **3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	974,898	62,099	1,036,797	710,703	205,488	916,171
Grant Income	6,196	22,619	28,815	-	41,870	41,870
	<u>980,894</u>	<u>84,718</u>	<u>1,065,612</u>	<u>710,703</u>	<u>247,338</u>	<u>958,041</u>

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities	Church Activities		Youth Work		Community Outreach		Church Activities		Youth Work		Community Outreach		Total 2022	
	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£	2022	£
Sales within charitable activities	4,205		17,119		1,416		500		6,135		8,917		15,552	
Analysis by fund														
Unrestricted funds	4,205		17,119		-		500		6,135		90		6,725	
Restricted funds	-		-		1,416		-		-		8,827		8,827	
	4,205		17,119		1,416		500		6,135		8,917		15,552	

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Non-charitable trading activities	221,748	98,873

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	563	28

### 7 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Car park rental and miscellaneous income	17,912	11,740
Office rent income	88,189	76,000
Coronavirus grants, CJRS and other income	2,500	15,838
	108,601	103,578

## KINGS COMMUNITY CHURCH (SOUTHAMPTON)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 8 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Trading costs</u>		
Operating trading company undertaking non-charitable trading activity	67,181	24,909
Other trading activities	-	1,757
Staff costs	77,583	71,146
Support costs	1,998	6,150
	<u>146,762</u>	<u>103,962</u>
Trading costs	<u>146,762</u>	<u>103,962</u>



# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Charitable activities

	Church Activities	Youth Work	Community outreach	International outreach	Total 2023	Total 2022
	2023 £	2023 £	2023 £	2023 £	£	£
Staff costs	289,550	67,217	36,194	5,171	398,132	386,414
Activities undertaken directly	28,903	36,173	25,821	6,398	97,295	326,226
Pastoral costs	1,670	272	2,305	-	4,247	-
Office and administration costs	5,954	1,015	3,021	54	10,044	-
Property & equipment running and maintenance	105,048	1,434	5,069	-	111,551	-
	<u>431,125</u>	<u>106,111</u>	<u>72,410</u>	<u>11,623</u>	<u>621,269</u>	<u>712,640</u>
Grant funding of activities (see note 10)	9,456	-	7,795	61,550	78,801	70,092
Share of support costs (see note 11)	392,334	96,562	74,457	10,577	573,930	332,280
Share of governance costs (see note 11)	15,694	3,863	2,978	423	22,958	8,012
	<u>848,609</u>	<u>206,536</u>	<u>157,640</u>	<u>84,173</u>	<u>1,296,958</u>	<u>1,123,024</u>
<b>Analysis by fund</b>						
Unrestricted funds	837,738	206,536	118,645	16,171	1,179,090	875,769
Restricted funds	10,871	-	38,995	68,002	117,868	247,255
	<u>848,609</u>	<u>206,536</u>	<u>157,640</u>	<u>84,173</u>	<u>1,296,958</u>	<u>1,123,024</u>

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Charitable activities (Continued)

For the year ended 31 March 2022

	Church Activities £	Youth Work £	Community outreach £	International outreach £	Total 2022 £
Staff costs	246,885	82,187	22,049	35,293	386,414
Activities undertaken directly	259,831	12,041	44,606	9,748	326,226
	506,716	94,228	66,655	45,041	712,640
Grant funding of activities (see note 10)	28,212	-	501	41,379	70,092
Share of support costs (see note 11)	287,395	8,817	18,434	17,634	332,280
Share of governance costs (see note 11)	6,009	401	801	801	8,012
	828,332	103,446	86,391	104,855	1,123,024
<b>Analysis by fund</b>					
Unrestricted funds	656,427	102,109	53,944	63,289	875,769
Restricted funds	171,905	1,337	32,447	41,566	247,255
	828,332	103,446	86,391	104,855	1,123,024

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Grants payable	Church Activities 2023	Church Activities 2023	Community outreach 2023	Community International outreach 2023	Total 2023	Church Activities 2022	Community outreach 2022	Community International outreach 2022	Total 2022
	£	£	£	£	£	£	£	£	£
Grants to Institutions:									
Commission Apostolic Trust, India	-	-	-	-	-	-	-	5,000	5,000
Mostar Bible School, Bosnia	-	-	-	-	-	-	-	5,000	5,000
Bethel Miracle Centre, Tanzania	-	-	-	-	-	-	-	27,000	27,000
King's Church, Christchurch, New Zealand	-	-	-	5,500	5,500	-	-	-	-
CRY	-	-	7,500	7,500	7,500	10,000	-	-	10,000
Christians Against Poverty	-	7,200	-	-	7,200	-	-	-	-
Ukraine relief support	-	-	7,500	-	7,500	-	-	-	-
Shalom Church, Bulgaria	-	-	3,500	-	3,500	-	-	-	-
Other	1,410	696	7,293	-	9,298	6,064	-	4,379	9,443
	<u>1,410</u>	<u>7,795</u>	<u>31,293</u>	<u>-</u>	<u>40,498</u>	<u>15,064</u>	<u>-</u>	<u>41,379</u>	<u>56,443</u>
Grants to individuals									
	8,046	-	30,257	-	38,303	13,148	501	-	13,649
	<u>9,456</u>	<u>7,795</u>	<u>61,550</u>	<u>-</u>	<u>78,801</u>	<u>28,212</u>	<u>501</u>	<u>41,379</u>	<u>70,092</u>

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 11 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	118,926	-	118,926	97,474	-	97,474
Depreciation	167,186	-	167,186	167,676	-	167,676
Other costs	15,728	-	15,728	73,280	-	73,280
Pastoral costs	1,519	-	1,519	-	-	-
Office and administration costs	192,403	-	192,403	-	-	-
Property & equipment running and maintenance	69,550	-	69,550	-	-	-
Grant related costs	8,618	-	8,618	-	-	-
Audit fees	-	5,790	5,790	-	3,620	3,620
Accountancy	-	18,208	18,208	-	3,150	3,150
Legal and professional	-	958	958	-	-	-
Unrecovered VAT on audit and accountancy	-	-	-	-	1,242	1,242
	<u>573,930</u>	<u>24,956</u>	<u>598,886</u>	<u>338,430</u>	<u>8,012</u>	<u>346,442</u>
<u>Analysed between</u>						
Trading	-	1,998	1,998	6,150	-	6,150
Charitable activities	<u>573,930</u>	<u>22,958</u>	<u>596,886</u>	<u>332,280</u>	<u>8,012</u>	<u>340,292</u>
	<u>573,930</u>	<u>24,956</u>	<u>598,886</u>	<u>338,430</u>	<u>8,012</u>	<u>346,442</u>

Governance costs includes payments to the auditors of £5,790 (2022: £3,620) for audit fees and £0 (2022: £3,150) for other services, across all group entities.

### 12 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.

Emma Curtayne has been employed as a Children's Work and her total remuneration for the year was £9,334 (2022: £8,000).

Total expenses of £3,187 were reimbursed to trustees, and their related parties, for Church running and operational costs.

Identifiable donations from trustees, and their related parties, amounted to £26,689 during the year. This excludes amounts where the donor is not identifiable, where the donations were given in cash etc.

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 13 Employees

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

	2023 Number	2022 Number
Church activities	9	9
Youth work	3	3
Community outreach	1	1
International outreach	-	1
Management and administration	4	3
Subsidiary companies	3	3
<b>Total</b>	<b>20</b>	<b>20</b>

Employment costs	2023 £	2022 £
Wages and salaries	538,966	504,945
Social security costs	32,127	27,155
Other pension costs	23,548	22,834
	<b>594,641</b>	<b>555,034</b>

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

### 14 Net gains/(losses) on Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Revaluation of investments	297,900	-
Gain/(loss) on sale of investments	-	(1,902)
	<b>297,900</b>	<b>(1,902)</b>

### 15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 16 Tangible fixed assets

Group	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	6,405,508	532,614	4,000	6,942,122
Additions	35,271	11,453	-	46,724
Transfer to investment property	(273,750)	-	-	(273,750)
At 31 March 2023	6,167,029	544,067	4,000	6,715,096
<b>Depreciation and impairment</b>				
At 1 April 2022	1,271,428	411,478	4,000	1,686,906
Depreciation charged in the year	115,703	54,557	-	170,260
Transfer to investment property	(76,650)	-	-	(76,650)
At 31 March 2023	1,310,481	466,035	4,000	1,780,516
<b>Carrying amount</b>				
At 31 March 2023	4,856,548	78,032	-	4,934,580
At 31 March 2022	5,134,080	121,136	-	5,255,216

Charity only	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	6,405,508	492,826	4,000	6,902,334
Additions	35,271	6,188	-	41,459
Transfer to investment property	(273,750)	-	-	(273,750)
At 31 March 2023	6,167,029	499,014	4,000	6,670,043
<b>Depreciation and impairment</b>				
At 1 April 2022	1,271,428	372,711	4,000	1,648,139
Depreciation charged in the year	115,703	52,483	-	168,186
Transfer to investment property	(76,650)	-	-	(76,650)
At 31 March 2023	1,310,481	425,194	4,000	1,739,675
<b>Carrying amount</b>				
At 31 March 2023	4,856,548	73,820	-	4,930,368
At 31 March 2022	5,134,080	120,115	-	5,254,195

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 16 Tangible fixed assets (Continued)

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

### 17 Investment property

	2023 £
<b>Fair value</b>	
At 1 April 2022	-
Transfers from owner-occupied property	197,100
Net gains or losses through fair value adjustments	297,900
	<u>495,000</u>
At 31 March 2023	<u>495,000</u>

Investment property comprises of the property known as Glenbourne. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 18 May 2022 by Eddisons Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The trustees do not consider that this value has altered materially by the year end.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	273,750	-
Accumulated depreciation	(82,125)	-
	<u>191,625</u>	<u>-</u>
Carrying amount	<u>191,625</u>	<u>-</u>

	2023 £	2022 £
Freehold	495,000	-
	<u>495,000</u>	<u>-</u>

### 18 Stocks

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Finished goods and goods for resale	774	-	774	-
	<u>774</u>	<u>-</u>	<u>774</u>	<u>-</u>



# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 19 Debtors

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	60,255	914	48,102	33,057
Amounts owed by subsidiary undertakings	-	11,663	-	29,112
Other debtors	159,755	159,755	81,617	81,617
Prepayments and accrued income	5,301	5,301	8,563	8,563
	<u>225,311</u>	<u>177,633</u>	<u>138,282</u>	<u>152,349</u>

### 20 Creditors: amounts falling due within one year

	Notes	Group 2023	Charity 2023	Group 2022	Charity 2022
		£	£	£	£
Bank loans	22	85,605	85,605	109,315	109,315
Other taxation and social security		9,214	9,878	18,119	18,119
Trade creditors		48,372	44,269	24,687	22,478
Amounts owed to subsidiary undertakings		-	2,327	-	2,244
Other creditors		15,258	15,258	4,311	4,311
Accruals and deferred income		79,437	78,437	88,804	86,745
		<u>237,886</u>	<u>235,774</u>	<u>245,236</u>	<u>243,212</u>

### 21 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	22	<u>2,443,802</u>	<u>2,513,385</u>

### 22 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>2,529,407</u>	<u>2,622,700</u>
Payable within one year	85,605	109,315
Payable after one year	<u>2,443,802</u>	<u>2,513,385</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>2,034,859</u>	<u>2,044,968</u>

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **22 Loans and overdrafts (Continued)**

The Church has a long term loan from Triodos Bank NV, which is secured on its buildings. The loan is at a variable interest rate of base rate + 2.75% 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 £130,535 (2022: £88,000).

#### **23 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.

The charge to profit or loss in respect of defined contribution schemes was £23,548 (2022: £22,934).

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 24 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:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Transfers £	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Food Centre Fund	52,644	18,000	(16,000)	-	54,644	25,623	(30,019)	-	-	50,248
Rebuild Fund	127,250	33,000	(80,000)	(30,000)	50,250	-	-	-	-	50,250
Strengthen Your Stakes Fund	-	141,359	-	-	141,359	13,472	(15,000)	(139,831)	-	-
Elijah Fund	86,000	-	(86,000)	-	-	-	-	-	-	-
Help Fund	16,393	1,000	(10,000)	-	7,393	6,681	(8,046)	-	-	6,028
Treasure Trove Fund	9,750	-	-	-	9,750	-	(2,825)	-	-	6,925
Other Restricted Funds	12,667	62,806	(55,255)	(4,000)	16,218	40,358	(61,978)	18,762	-	13,360
	304,704	256,165	(247,255)	(34,000)	279,614	86,134	(117,868)	(121,069)	-	126,811

## **KINGS COMMUNITY CHURCH (SOUTHAMPTON)**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

#### **24 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 Strengthen Your Stakes Fund is to cover some specific expenditure budgets in 2022/23 for New Day, Evangelism, International Outreach, Hope Centre refurbishments as well as one or two other initiatives. The balance was for use towards general expenditure in 2022/23 and beyond, and hence this has been transferred to unrestricted fund this year.

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

The Elijah Fund was for toilet refurbishment costs of £30,000 which occurred in 2020/21 and for general purposes going forwards.

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

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.

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 25 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 2021	Transfers	Balance at 1 April 2022	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£	£
Fixed asset fund	2,564,000	75,877	2,637,604	(167,186)	127,642	297,900	2,895,960

Charity	Balance at 1 April 2021	Transfers	Balance at 1 April 2022	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£	£
Fixed asset fund	2,564,000	75,877	2,637,604	(167,186)	127,642	297,900	2,895,960

The Fixed Asset Fund is a designated fund that represents reserves invested in fixed assets and investments and, therefore, not generally available for use. The fund balance also accounts for the balance outstanding on the mortgage, which is charged against the property. The movements in the year reflect the depreciation expense, as well as changes in value.

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 26 Analysis of net assets between funds

Group	Unrestricted funds 2023	Designated funds 2023	Restricted funds 2023	Total Unrestricted funds 2023	Designated funds 2022	Restricted funds 2022	Total
	£	£	£	£	£	£	£
Fund balances are represented by:							
Tangible assets	4,212	4,930,368	-	4,934,580	5,260,304	-	5,261,324
Investment properties	-	495,000	-	495,000	-	-	-
Current assets/(liabilities)	309,815	(86,606)	126,811	351,020	(109,315)	279,614	315,415
Long term liabilities	-	(2,443,802)	-	(2,443,802)	(2,513,385)	-	(2,513,385)
	314,027	2,895,960	126,811	3,336,798	2,637,604	279,614	3,083,354
Charity							
Fund balances are represented by:							
Tangible assets	-	4,930,368	-	4,930,368	5,255,249	-	5,255,249
Investment properties	-	495,000	-	495,000	-	-	-
Investments	-	1,000	-	1,000	1,000	-	1,000
Current assets/(liabilities)	232,515	(86,606)	126,811	272,720	(104,260)	279,614	316,464
Long term liabilities	-	(2,443,802)	-	(2,443,802)	(2,513,385)	-	(2,513,385)
	232,515	2,895,960	126,811	3,255,286	2,637,804	279,614	3,059,328

## KINGS COMMUNITY CHURCH (SOUTHAMPTON)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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<b>27 Capital commitments</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>

At 31 March 2023 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

-	27,000
<u>          </u>	<u>          </u>

#### 28 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	154,836	231,000
	<u>          </u>	<u>          </u>

During the year the spouse of a trustee was employed, in operational Church duties. The salary paid for the period in question was £7,487 (2022: £0).

During the year the Church received £0 (2022: £9,000) under the Gift Aid scheme from KCC Enterprises Ltd, a 100% subsidiary. The Church recharged salary costs of £77,250 (2022: £66,000) 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 £2,000 (2022: £0) and paid postage recharges to them of £0 (2022: £1,000) and received recharges of £3,018 from them for office facilities provided (2022: £3,000).

#### 29 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 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
KCC Enterprises Ltd	England	Corporate events and running of a cafe	Ordinary	100.00	



# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 29 Subsidiaries (Continued)

The results for KCC Enterprises Ltd have been consolidated into these accounts, with charity-only figures shown for clarity.

In the charity-only Balance Sheet, the investment is stated at cost. The registered office of KCC Enterprises is the same as the parent. Its company number is 7992952.

The accounts for KCC Enterprises Ltd show the following information at 31 March 2023 and for the year then ended:

	£
Total assets	99,279
Total liabilities	(16,766)
Total funds	<u>82,513</u>
Total turnover	224,248
Total expenditure	(143,606)
Profit/(Loss) for the year	<u>80,642</u>

#### 30 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the year	273,444	(52,816)
Adjustments for:		
Investment income recognised in statement of financial activities	(563)	(28)
(Gain)/loss on disposal of investments	-	1,902
Fair value gains and losses on investments	(297,900)	-
Depreciation and impairment of tangible fixed assets	167,186	167,676
Movements in working capital:		
(Increase) in stocks	-	(620)
(Increase) in debtors	(75,520)	(45,432)
Increase in creditors	14,033	78,312
<b>Cash generated from operations</b>	<u>80,680</u>	<u>148,994</u>

#### 31 Analysis of changes in net (debt)/funds

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	421,595	(58,774)	362,821
Loans falling due within one year	(109,315)	23,710	(85,605)
Loans falling due after more than one year	(2,513,385)	69,583	(2,443,802)
	<u>(2,201,105)</u>	<u>34,519</u>	<u>(2,166,586)</u>

# KINGS COMMUNITY CHURCH (SOUTHAMPTON)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 32 Prior period adjustment

#### Changes to the balance sheet

	At 31 March 2022		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Fixed assets</b>			
Tangible assets	5,177,447	83,877	5,261,324
<b>Capital funds</b>			
Income funds			
Restricted funds	279,614	-	279,614
Designated funds	2,553,727	83,877	2,637,604
Unrestricted funds	146,136	-	146,136
<b>Total equity</b>	<b>2,979,477</b>	<b>83,877</b>	<b>3,063,354</b>

#### Changes to the profit and loss account

	Period ended 31 March 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Net movement in funds	(52,816)	-	(52,816)

In the previously submitted accounts for the year ended 31 March 2022, a consolidation adjustment was included to eliminate £83,877 of historic surplus generated by Northam Developments Ltd (a 100% subsidiary) on the construction, and recharge to the parent, of the new Church building. This was offset against the consolidated fixed assets each year.

This adjustment was not correct and as Northam Developments Ltd has now been struck off, the cumulative effect of these consolidation adjustments has been removed from the accounts and the comparative figures restated, as outlined above.