

REGISTERED COMPANY NUMBER: 06211852 (England and Wales)

REGISTERED CHARITY NUMBER: 1120828

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
The King's Church, Boston Spa

Aysgarth Chartered Accountants
Pickering House
40A York Place
Leeds
LS1 2ED

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for the Year Ended 31 December 2020

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Report of the Trustees
for the Year Ended 31 December 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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

Objectives and aims

The objects of the charity are the advancement of the Christian religion by knowing Christ and making Him known to others and in accordance with the statement of fundamental truths set out in clause 10 of the Memorandum of Association.

The main normal activities of the charity that are undertaken in order to fulfil these objectives are: Christian worship, Bible study and prayer meetings, outreach, projects in the community and donations to other charities.

Significant activities

The main achievement of the charity in the period under review was the swift and apparent easy transformation at the start of the COVID-19 Lockdown from being a traditional church with face-to-face meetings, to having activities online. During the year YouTube, FaceBook, Skype and Zoom were utilised along with telephone calls and DVDs.

1. Church services: Prior to the Lockdown there was provision of two church services each Sunday that were open to all and where the teaching of the Christian faith played a central role. The services, like many of the meetings listed, were held at the Deepdale Community Centre. Once Lockdown happened weekly Sunday morning services were held on YouTube. Initially these were live but then they became pre-recorded being released (premiered) on YouTube at 11 am every Sunday morning. DVDs of the recording were made available to individuals who struggled to access services online. During the latter part of the year (in between lockdowns) there was the opportunity for up to 19 people to meet at Deepdale Community Centre, where the recorded service was shown. During the year there was the occasional Sunday evening Zoom meeting.
2. There were weekly and monthly Bible studies and prayer meetings. With the Lockdown these transformed to either being online or over a conference telephone service. The Small Groups naturally transitioned from being monthly to weekly or fortnightly. Each group tended to informally follow their own approaches.
3. With the onset of the Lockdown all community projects ceased.
4. Other Christian charities and missions were supported including a missionary couple in Germany. A conscious decision was made to provide financial support to an Elim church and an Elim minister both of whom financially suffered because of the pandemic.

Public benefit

In planning the activities of the charity the Trustees have had regard to the guidance on public benefit issued by the Charity Commission.

FINANCIAL REVIEW

Financial position

The charity's performance over the last 5 years is summarised as follows:

Year ended	Income	Expenditure	Surplus/(Deficit)
31 December 2020	93,565	92,050	1,515
31 December 2019	86,182	100,029	(13,847)
31 December 2018	97,789	101,222	(3,433)
31 December 2017	90,223	92,098	(1,875)
31 December 2016	83,996	101,451	(17,455)

In December 2020 the charity received a refund from its bankers, HSBC, for previously overcharged bank charges of £3,397.97 together with interest at 8% of £1,743.40.

FINANCIAL REVIEW

Reserves policy

All reserves are unrestricted.

A building fund is maintained on the following basis:

Any gift to the building fund will be unrestricted but earmarked for the potential building fund. The requirement for a building funding will be reviewed by the elders no later than 31 December 2025. After which, if the fund has not been spent, the requirement will be reviewed, and any monies potentially re-purposed, at 5 year intervals.

Other non-designated reserves are kept in order to meet future expenditure, in particularly paid staff and possibly to assist the designated building fund.

FUTURE PLANS

During 2021 the trustees will try to maintain the balance between following the ever changing Government regulations and advice regarding the COVID-19 pandemic and the freedom to express our Christian faith. Since Easter church services have been held in the Boston Spa Methodist Chapel. This has meant a change of timing to 4pm. The trustees constantly review the best place and time to meet, taking soundings from church members and attenders. The service continues to be available online but often this is not live-streamed.

A lot of other meetings continue to be held via Zoom or Skype: including small groups, prayer meetings and Youth meetings. The pastors also provide input into the digitally excluded

The budget for 2021 anticipated a £22.5k deficit, which would be funded out of reserves but will not leave the charity in a materially weaker financial position.

Over the next year and a bit, the succession from the founding pastor Stephen Thompson will require some prayerful consideration, as he plans to retire in January 2023. Prayers are also requested for the development of Phil Baraniak into the role of lead pastor.

In 2021 a small group was formed to look into the pension position. After reviewing the documentation it has engaged in a positive manner with Elim Ministers' Pension Fund.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

All the directors of the company are also trustees of the charity. The trustees who served during the period under review and to date are set out below. In accordance with the Articles of Association trustees stand for a period of no more than five years after which they can, if they choose, stand for re-election. All trustees, except the paid Pastor, give their time voluntarily.

Induction and training of new trustees

During the period under review one new trustee, David Faraday, was inducted. Nominations for trustees are made at the trustees' meetings and subsequently confirmed at a meeting of the members.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06211852 (England and Wales)

Registered Charity number

1120828

The King's Church, Boston Spa

Report of the Trustees
for the Year Ended 31 December 2020

Registered office

216 High Street
Boston Spa
Wetherby
LS23 6AD

Trustees

Dr S J Maw
Rev S Thompson
Mr S C C Young FCA
Mr D A Faraday (appointed 22/4/2020)

Company Secretary

Dr A D Pearlman

Independent Examiner

Mr J Farley ACA
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Approved by order of the board of trustees on 9 September 2021 and signed on its behalf by:

Mr S C C Young FCA - Trustee

Independent examiner's report to the trustees of The King's Church, Boston Spa ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr J Farley ACA
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 13 September 2021

The King's Church, Boston Spa

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2020

	Notes	31/12/20 Unrestricted funds £	31/12/19 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		91,328	85,305
Other trading activities	2	24	33
Investment income	3	<u>2,213</u>	<u>844</u>
Total		93,565	86,182
EXPENDITURE ON			
Charitable activities			
Church activity		<u>92,050</u>	<u>100,029</u>
NET INCOME/(EXPENDITURE)		1,515	(13,847)
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>145,331</u>	<u>159,178</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>146,846</u></u>	<u><u>145,331</u></u>

The notes form part of these financial statements

Balance Sheet
31 December 2020

	Notes	31/12/20 Unrestricted funds £	31/12/19 Total funds £
FIXED ASSETS			
Tangible assets	10	<u>1,635</u>	<u>618</u>
CURRENT ASSETS			
Debtors	11	1,578	936
Cash at bank		<u>146,668</u>	<u>145,566</u>
		148,246	146,502
CREDITORS			
Amounts falling due within one year	12	(3,035)	(1,789)
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>145,211</u>	<u>144,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>146,846</u>	<u>145,331</u>
NET ASSETS		<u>146,846</u>	<u>145,331</u>
FUNDS	13		
Unrestricted funds		<u>146,846</u>	<u>145,331</u>
TOTAL FUNDS		<u>146,846</u>	<u>145,331</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The King's Church, Boston Spa (Registered number: 06211852)

Balance Sheet - continued
31 December 2020

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 9 September 2021 and were signed on its behalf by:

Mr S C C Young FCA - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The accounts have been prepared on the going concern basis, as there are no material uncertainties about the charity's ability to continue. Based on the adequacy of the charity's reserves as at the balance sheet date, along with their knowledge of the charity's ability to meet bills, payments and other liabilities as they fall due, the directors have a reasonable expectation that the charity has sufficient resources to continue in operational existence for the foreseeable future.

In making this assessment the trustees have considered the impact of Covid-19 and have concluded that its impact on net income will not be material.

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity has relied significantly upon volunteers in carrying out its activities during the year. In accordance with paragraph 6.18 of the SORP, the role of volunteers has not been recognised as income from donated services in the accounts.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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, including irrecoverable VAT, is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 33.3% on cost

All tangible fixed assets are recorded at cost, being purchase price, less accumulated depreciation.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

Principal staff, who are ordained Elim Ministers, are eligible for membership of the Elim Minister's Pension Fund, administered on behalf of the Elim Pentecostal Churches. Therefore, the charity is probably a participating employer in the Elim Foursquare Gospel Alliance Pension Scheme which is established as a multi-employer defined benefit pension scheme. The charity is unable to identify its share of this scheme's assets and liabilities therefore, as permitted by FRS 102, the entire scheme is being treated as if it were a defined contribution scheme.

The last actuarial valuation at 31 December 2018 indicated that the obligation to provide defined benefits gives rise to a funding deficit of £11.8m and the charity, along with other participating employers, is currently in a position of reviewing if there is legal precedence for it to make additional contributions to remedy the deficit. At this point in time it is not known if there will be an obligation to make deficit reduction contributions in future years, and how much these would be. The charity therefore has an unquantifiable contingent liability, and so has not included a recognised liability in these financial statements.

As at 30 September 2020 the multi-employer pension scheme operated by Elim Foursquare Gospel Alliance (charity number 251549) had an accounting valued deficit of £31.1m. This has been fully provided for in Elim's accounts and they have a payment plan to 1 December 2035 to make good the funding deficit. Further information about this defined benefits scheme are explained in the published consolidated accounts of that entity.

Other defined contribution pension schemes are made available to all other staff.

2. OTHER TRADING ACTIVITIES

	31/12/20	31/12/19
	£	£
Book buying commission	<u>24</u>	<u>33</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

3. INVESTMENT INCOME

	31/12/20	31/12/19
	£	£
Deposit account interest	<u>2,213</u>	<u>844</u>

4. GRANTS PAYABLE

	31/12/20	31/12/19
	£	£
Church activity	<u>15,000</u>	<u>15,000</u>

The total grants paid to institutions during the year was as follows:

	31/12/20	31/12/19
	£	£
Arab World Ministries	7,500	10,000
Horizon Life Training	-	5,000
Elim Foursquare Gospel Alliance	2,500	-
Caring For Life	2,500	-
Good News Broadcasting Association	1,500	-
Geoff Bowell pastor at Elim Scarborough	<u>1,000</u>	<u>-</u>
	<u>15,000</u>	<u>15,000</u>

5. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Church activity	<u>(3,299)</u>	<u>1,050</u>	<u>(2,249)</u>

The following payments, including VAT, have been accrued or made to the independent examiner Stewardship in respect of their examination £1,050 (2019: £870). Fees payable to the Independent Examiner other than for the independent examination totalled £nil (2019: £nil).

Support costs, included in the above, are as follows:

Governance costs

	31/12/20	31/12/19
	Church activity	Total activities
	£	£
Accountancy and legal fees	<u>1,050</u>	<u>990</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31/12/20	31/12/19
	£	£
Depreciation - owned assets	<u>873</u>	<u>349</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

	31/12/20	31/12/19
	£	£
Trustees' salaries	39,689	38,911
Trustees' pension contributions to defined benefit schemes	<u>5,184</u>	<u>5,184</u>
	<u>44,873</u>	<u>44,095</u>

Stephen Thompson was paid a salary in his capacity as a Pastor of the church, and not as a trustee, as permitted by clause 5.3 Memorandum of Association.

Trustees' expenses

Stephen Thompson has had expenses reimbursed to him as part of his role as the senior pastor of the church and not as a trustee of the charity that operates the church.

Apart from the above, there were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Donations by Trustees

The total amount of donations made by trustees (either directly or via companies controlled by them) was £20,586 (2019: £12,059). In addition services were received free of charge by the charity from a company controlled by a trustee.

8. STAFF COSTS

	31/12/20	31/12/19
	£	£
Wages and salaries	64,021	60,987
Other pension costs	<u>8,785</u>	<u>8,451</u>
	<u>72,806</u>	<u>69,438</u>

The average monthly number of employees during the year was as follows:

	31/12/20	31/12/19
Pastors	<u>2</u>	<u>2</u>

Key management salaries.

Phil Baraniak, as the associated pastor, is deemed to be part of key management and as such attends trustees' meetings even though he is not a trustee.

8. STAFF COSTS - continued

	31/12/20	31/12/19
	£	£
Key management salaries	24,332	22,076
Key management pension contributions to defined contribution schemes	<u>3,601</u>	<u>3,267</u>
	<u>27,933</u>	<u>25,343</u>

No staff received salaries at a rate of more than £60,000 per annum.

Most of the charity's activities are carried out by unpaid volunteers.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	85,305
Other trading activities	33
Investment income	<u>844</u>
Total	86,182
EXPENDITURE ON	
Charitable activities	
Church activity	<u>100,029</u>
NET INCOME/(EXPENDITURE)	(13,847)
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>159,178</u>
TOTAL FUNDS CARRIED FORWARD	<u>145,331</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**10. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2020	734	800	1,534
Additions	<u>1,291</u>	<u>599</u>	<u>1,890</u>
At 31 December 2020	<u>2,025</u>	<u>1,399</u>	<u>3,424</u>
DEPRECIATION			
At 1 January 2020	450	466	916
Charge for year	<u>506</u>	<u>367</u>	<u>873</u>
At 31 December 2020	<u>956</u>	<u>833</u>	<u>1,789</u>
NET BOOK VALUE			
At 31 December 2020	<u>1,069</u>	<u>566</u>	<u>1,635</u>
At 31 December 2019	<u>284</u>	<u>334</u>	<u>618</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/20 £	31/12/19 £
Other debtors	1,496	864
Prepayments and accrued income	<u>82</u>	<u>72</u>
	<u>1,578</u>	<u>936</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/20 £	31/12/19 £
Social security and other taxes	1,014	751
Accruals and deferred income	<u>2,021</u>	<u>1,038</u>
	<u>3,035</u>	<u>1,789</u>

13. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	137,956	1,515	139,471
Building Fund	<u>7,375</u>	<u>-</u>	<u>7,375</u>
	<u>145,331</u>	<u>1,515</u>	<u>146,846</u>
TOTAL FUNDS	<u>145,331</u>	<u>1,515</u>	<u>146,846</u>

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	93,565	(92,050)	1,515
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>93,565</u>	<u>(92,050)</u>	<u>1,515</u>

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	151,803	(13,847)	137,956
Building Fund	7,375	-	7,375
	<hr/>	<hr/>	<hr/>
	159,178	(13,847)	145,331
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>159,178</u>	<u>(13,847)</u>	<u>145,331</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	86,182	(100,029)	(13,847)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>86,182</u>	<u>(100,029)</u>	<u>(13,847)</u>

14. RELATED PARTY DISCLOSURES

Except as disclosed in note 7 Trustees' remuneration and benefits there were no related party transactions for the year ended 31 December 2020 or 31 December 2019