



# TRUSTEES' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2020



*"Without the help of King's Arms Project I wouldn't be here now. Thanks to all the support I can now go to bed at night and look forward to waking up in the morning" (KAP Client)*

**KING'S ARMS PROJECT (BEDFORD) | CHARITY NUMBER 1139956 | COMPANY NUMBER 7433621**

## CONTENTS

---

	PAGE
CHARITY AND COMPANY INFORMATION	3
TRUSTEES' REPORT	4
INDEPENDENT AUDITOR'S REPORT	18
STATEMENT OF FINANCIAL ACTIVITIES	21
BALANCE SHEET	22
STATEMENT OF CASH FLOWS	23
NOTES TO THE FINANCIAL STATEMENTS	24

## CHARITY AND COMPANY INFORMATION

---

<b>Trustees/Directors</b>	Roydon Loveley (Chair) Vanessa Lipski Stephen Wilson	Matthew Burge Nigel Taylor
<b>Chief Executive</b>	Kirstie Cook	
<b>Charity number</b>	1139956	
<b>Company number</b>	07433621	
<b>Registered office</b>	King's House 245 Ampthill Road Bedford MK42 9AZ	
<b>Business address</b>	King's House 245 Ampthill Road Bedford MK42 9AZ	
<b>Statutory Auditor</b>	Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF	
<b>Solicitor</b>	HCB Park Woodfine LLP 1 Lurke Street Bedford MK40 3TN	
<b>Banker</b>	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB	

King's Arms Project (KAP) is a charitable company limited by guarantee (Company No. 7433621), incorporated on 9th November 2010 and registered as a charity on 20th January 2011 (Charity No. 1139956).

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. It commenced operating on the 1st March 2011.

Established in 1989, the KAP operated as part of the King's Arms Trust (Bedford), until its formation in 2011.

*"You guys have given me hope, I was in a really bad way. I've been homeless for two years, since 2019 and I had lost hope...at least there will be a future for me now. Thank you so much for helping me, there's been so many people who don't stick around and you have helped me a lot. I want to be a good person, I don't want to get in trouble and go to jail and prison, I want to go to college, get housing sorted and just be normal and I think that is now starting to happen or will happen for me soon." (Abdul, came to the UK by himself as a child fleeing conflict in Afghanistan. He suffers from PTSD and poor mental health).*

### INTRODUCTORY LETTER FROM THE CHAIR OF TRUSTEES

2020 will be remembered as the year when the world was changed in ways that were previously not imagined. Millions of people have had their lives changed and many have sadly lost loved ones. However, the poor and vulnerable supported by the King's Arms Project have suffered more than most of us who enjoy the benefits of home, family and sufficient resources.



Throughout the year it has been amazing to see the love and support provided in very difficult circumstances by the staff of the Project to the poor and vulnerable in Bedfordshire including the homeless, ex-prisoners, asylum seekers and refugees. As in previous years, the range of the services and support provided continued to increase, driven by the enthusiasm, ideas and passion of the staff in responding to the many needs and opportunities.

Changes to key staff appointments are never easy and changing the CEO in the middle of a pandemic was a challenge. However, the transition of CEO from Simon Dwight to Kirstie Cook in mid-year went very smoothly and Kirstie has brought fresh vision and mature leadership as she wrestled with steering the Project through the difficulties of working in a pandemic.

The report provides details of the many and varied activities of the Project and, perhaps even more importantly, gives examples of how the lives of vulnerable individuals have been positively impacted and changed for good.

In 2019 the Project had a financial deficit, and the reserves were at a worryingly low level for a charity of our size. In 2020 we are pleased to report that there has been a modest surplus, but the reserves remain low and the Trustees are working with the CEO to build these over the next few years.

**Roydon Loveley**  
**Chair of Trustees**

### INTRODUCTORY LETTER FROM THE CHIEF EXECUTIVE OFFICER

Welcome to the Annual report and financial statements for the King's Arms Project (KAP) 2020. I joined KAP as the new Chief Executive Officer in July 2020, in the middle of a global pandemic. The charity had already completed the unenviable task of moving many of our frontline services to serve the poor and vulnerable in the town of Bedford online and we have been working closely with Public Health to ensure we can provide shelter and deliver outreach to those at risk of being street homeless.

We are doing all we can to make sure we can continue to follow Jesus where the need is greatest, bringing practical help and powerful hope to the most vulnerable people. Our desire to bring isolated, frightened and vulnerable people into communities where they feel safe and welcome and where they can put down roots and flourish remains unrelenting. Under the governments 'Everybody In' programme we saw rough sleepers in Bedford who had been without a stable home accommodated in a local hotel. During the past 12 months we have helped support 325 people through the hotel in partnership with other agencies. We have been part of the solution to help many of those residents who did not have settled status to remain in the UK gain access to benefits and support as well providing more stable, affordable supported accommodation for those ready to move into a house.

Our outreach work with clients who have no recourse to public funds continues to set us apart as those willing to work with the most complex situations and we are proud to be running the only pilot programme in the UK currently seeking to find a better route for refugees and asylum seekers to gain the appropriate legal status whilst remaining in the community. One of my personal highlights from 2020 was when an employee from our Pathways to Employment who has lived experience of homelessness decided to create his own fundraiser for KAP by climbing a mountain in the Lake District carrying the load of a homeless person with all their belongings. Those of us who did the trek with him had the privilege of hearing more of his story as we walked and we were able to symbolise 'sharing the load' by distributing the contents of his backpack between us. These moments of personal connection where we get to carry each others burdens and impact the lives of others for the good are what motivates me to see the KAP go from strength to strength, venturing into the darkest corners of our society to bring restoration, hope and new life.

I would like to thank all those who give faithfully to the KAP. We are so grateful to individuals, families and churches for their remarkable generosity and to trusts, foundations and institutional donors for all their continued support. It is an honour to work alongside colleagues who give of themselves on a daily basis to get alongside and help the most traumatised and complex people, often at great personal cost. As well as the personal kindness and acts of generosity we see, we also know prayer is at the heart of all we do and we are completely dependent on God for everything.

**Kirstie Cook**  
**Chief Executive Officer**



# TRUSTEES' REPORT

---

## INTRODUCTION

The Trustees of the King's Arms Project (Bedford), (referred hereafter as KAP), present their annual report, together with the financial statements of the charitable company for the year 1<sup>st</sup> January 2020 to 31<sup>st</sup> December 2020.

## PRINCIPLE OBJECTIVES

The Charity's objectives for the public benefit are:

- To relieve financial hardship particularly but not exclusively among the homeless or those at risk of homelessness and to promote and preserve good health by the provision of funds, good or services of any kind including through the provision of accommodation and support to achieve and maintain independent living, meaningful occupation economic independence and to become contributing members of the community in Bedford and in such other parts of the United Kingdom or the world as the Trustees from time to time may think fit and to fulfil other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity.
- To advance the Christian faith in accordance with the Evangelical Alliance Statements of Beliefs in Bedford and in other such parts of the United Kingdom or the world as the Trustees may from time to time think fit.

## OUR VISION

To see people thriving in a place they can call home and living a fulfilling life alongside others in community.

## OUR MISSION

To tackle homelessness and its causes, show the love of Jesus to all, provide opportunity for change and draw people out of isolation into a meaningful community.

## OUR VALUES

- **We believe that God is good**  
Our Christian faith underpins everything that we do. We are committed to following the teaching and example of Jesus Christ in serving the poor, protecting the vulnerable and including the forgotten.
- **We believe there is no such thing as a hopeless case**  
No-one is too entrenched in poverty of any kind that they are beyond help. We refuse to give up on anybody and believe that every person is significant.
- **We believe people deserve opportunity**  
Everyone deserves the chance to advance themselves and see dreams realised. We believe in supporting and equipping people on their journey toward achieving personal success.
- **We believe people belong in Community**  
No-one should have to go through life alone. We want to build people into a community where they feel safe and are resourced to contribute.
- **We believe everyone can play their part**  
We recognise local people, businesses and faith communities have a wealth of experience, resources and opportunities and can contribute in their own way to improving people's chances. We will take others with us on the journey to serve the poor as best we can.

## OUR CULTURE

- **We will prioritise God**  
We are convinced good things happen when we focus on God. We are not swayed by circumstances but listen to God and follow his leading both individually and corporately.
- **We will get there together**  
As an organisation we recognise the importance of unity in our team. We are stronger as a whole than as individuals and are more likely to succeed if we move forward together.
- **We will be part of the solution**  
It is not enough just to point out the problems in our society. We are committed to being a positive voice in our community focused on being part of the solution.

## OUR ACTIVITIES

### HELP

We offer help to those who are in crisis and at risk of immediate homelessness. We believe that it is a Biblical principle and a humane response to feed the hungry, clothe the naked and welcome the stranger. We do this principally through our night shelter, outreach services on the streets of Bedford and our helpline and advice service for refugees and asylum seekers.

### HELPLINE

The refugees and migrant services team launched a helpline in September 2020 in response to an increasing number of enquiries and requests for help to advise and support vulnerable irregular migrants who are not covered by our contracted services (refused asylum seekers / UASC<sup>1</sup> / visa overstayers) and the professionals assisting them. We offer either one-off advice or short-term casework depending on our team's capacity and the clients' needs. In the short time this has been running, the service has supported 35 individuals.

This is the story of just one of those contacts:

*Yusaf, Fashi and their two young children recently fled to the UK in search of safety. Fashi has a physical disability and has been unable to leave their second floor flat for months, trapped by stairs and the lack of a lift. As a survivor of torture, Yusaf has been left traumatised and with long-term injuries including untreated head trauma. He needs time to heal and yet he has to fight for his young family in an unfamiliar country with an unfamiliar language. With no English, accessing medical care, understanding correspondence and navigating daily life without support is impossible. These challenges are compounded by the constant weight of uncertainty. Their future is at the mercy of an underfunded legal aid system and government decision makers. A grant of asylum will be life changing, a refusal would be devastating.*

*Through joining our Helpline service, Yusaf & Fashi have been assisted to book and attend medical appointments and manage medication. The family have been assisted to understand key correspondence, including from the local hospital. Serious medical issues have been highlighted to medical professionals which would have otherwise gone unaddressed leading to potentially disastrous consequences. In partnership with local organisations, we have been able to ensure that the family receives food parcels, financial support, clothing, heating and blankets. Fashi has been connected to a befriender through a local organisation increasing her support network. We also assisted Yusaf with travel to his long-overdue asylum interview in Croydon. Additionally, we've been working hard to advocate for the family to be moved to more appropriate accommodation.*

*Although they are technically covered by government support, we have stepped into the gap and sought to be part of the solution, together with other support providers, to ensure that Yusaf and Fashi's family are provided with opportunities to improve their situation, so that they are connected to community and to show them the goodness and love of God.*

---

<sup>1</sup> Unaccompanied Asylum Seeking Children



# TRUSTEES' REPORT

---

## ADVICE SERVICE

Our community engagement pilot funded by the Home Office provides free legal advice for vulnerable migrants (mainly refused asylum seekers and visa overstayers). So far we have helped 48 individuals access free medication, mental health support, hardship money, food, clothing, toiletries, ESOL<sup>2</sup> / education and social activities. We have also helped a number of people to access social services support due to their high care needs. We are OISC<sup>3</sup> registered to provide basic immigration & asylum advice and services to a high standard.

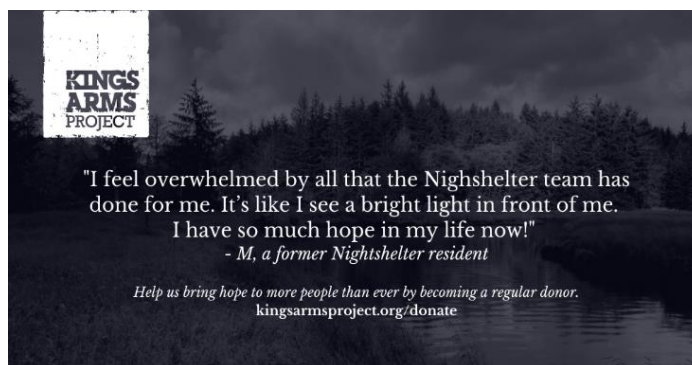
## STREET OUTREACH

The Outreach team has always been one who through faith and persistence, brings hope to some of the most marginalised and forgotten clients in our community. They work with both clients who have recourse to public funds and those who do not. This last year has been one of both incredible success and challenge for the Outreach team. Following the Government's "Everyone in" scheme in March 2020 we have been based at the Mercure hotel in Bedford, working alongside SMART, Path 2 Recovery, PBIC<sup>4</sup> and council housing staff to provide holistic service for our clients. In this period the Outreach team have worked with 92 EEA<sup>5</sup> clients, the majority of whom have No Recourse to Public Funds and 23 non-EEA clients. They have supported 45 clients moving into hostels, private tenancy and council supported accommodation. This has had a hugely significant impact, particularly on our clients who had No recourse to Public funds, many of whom now have gained ID documents and applied to the EU Settlement scheme.

In addition, we have been undertaking early morning outreach on the streets of Bedford, several times a week. This has involved seeking out many of the encampments and areas in the town centre and around the fringes where rough sleepers seek refuge, to engage them and provide support. Many of those clients have complex needs and some have serious substance misuse issues. Often this work requires long term commitment and perseverance with cases. One such instance was a young man we met on his first day out of prison after previously knowing him at the Nightshelter. We attended his probation appointments, job centre and housing and managed to get him some temporary accommodation with the council. He went downhill quickly once in a flat on his own and ended up using drugs again. He then got an infection from injecting that travelled to his spinal cord and paralysed him. We continued to visit him at the hospital through Covid, taking him food and helping communicate with probation and other agencies. He had several months in physio rehab and is now living with his partner. He has been clean from drugs for the longest since he was 16 and is enjoying family life.

## NIGHTSHELTER

Our Night shelter has run for nearly 30 years as a direct access service, 365 days a year. It has provided 18 bed spaces from 7pm until 9am on a first come first serve basis. As well as a bed to sleep in, the shelter has been a place where rough sleepers, often the most vulnerable on our streets can get warm food, clean clothes, good advice and feel safe. Due to Covid we had to repurpose this service virtually overnight to become a 24 hour a day hostel, no direct access and only 6 clients at a time. This required a tremendous amount of work and changes for the staff who adjusted admirably. Despite the cut in available bed spaces we have welcomed 83 different individuals, helping 57 move on positively in 2020. We gave access to a total of 2571 beds (counting for every night of the year) but we still had to turn away people 45 times. Between March and early December, the main reason for turning someone away was that we were no longer a direct access service. We adapted again over the winter months to provide 2 direct access beds, a night for severe weather conditions. In December we moved on 13 clients, including 3 of our permanent residents in more settled accommodation and 10 through the Severe Weather Emergency Protocol (SWEP). We learnt to be increasingly Covid safe and adapt to all the new government guidelines over time. For this we worked with Public Health England, NHS testing and of course our Senior Leaders Team. We had to deal with 2 outbreaks of Covid, from which everyone affected recovered well.



---

<sup>2</sup> English as a second language

<sup>3</sup> Office of the Immigration Commissioner

<sup>4</sup> Polish British Integration Centre

<sup>5</sup> European Economic Area



# TRUSTEES' REPORT

## FRIDAY NIGHT MEETING (FNM)

This has traditionally been a weekly event where the materially poor and homeless can gather for a hot meal at a venue in the town centre for friendship, support and to hear the gospel if they choose to. It has been a vibrant event which benefits from a large team of volunteers from across the town. Unfortunately, during Covid we have had to suspend this meeting. Public Health advised us against any kind of food preparation and distribution and it has not been possible to develop an alternative service in the last 12 months. However, we are looking forward to being able to gather again in the coming months and re-introduce this evening as part of our street outreach programme.

## HOMES

Housing is an issue of social justice and equality. The report by the independent Commission on Housing, Church and Community lays out a positive vision for housing, centred on five core values, which are rooted in the Christian story but resonate with us all: good housing should be **Sustainable, Safe, Stable, Sociable and Satisfying**. We aim to provide accommodation that fulfills these five criteria for individuals and families from the UK as well as refugees and asylum seekers. Across our houses we have provided accommodation for people in a variety of different situations.



*I loved my time in Move-On Housing and enjoyed the Pathways to Employment activities. The support and activities have opened my mind to new opportunities. If I hadn't had the support, I would have hit rock bottom but now I have my own flat and more privacy and independence and I know that I have floating support when I need it.*

Our Supported Accommodation service offers short-term accommodation, a high level of autonomy and independence, and tenancy support for a wide variety of people who have experienced homelessness and are moving toward independent living. We tailor support towards each residents' needs and aspirations, offering a holistic approach, ensuring residents have the best opportunity to develop and achieve their aims in an encouraging, progressive environment. During 2020 we supported over 50 clients, helping 18 move into their own independent accommodation. A further 8 clients who had no recourse to public funds have obtained settled status or work-related benefits: a life-changing outcome for all, bringing them out of destitution. We have seen 16 clients who have obtained and sustained long-term employment while living with us and a further 8 have taken their first steps into work by taking on short-term employment

We have provided holistic resettlement and integration support for Syrian families resettled by the UNHCR<sup>6</sup> / UK government in Central Bedfordshire and a Community Sponsorship family in Bedford for 14 families.



We have also provided 2 bed spaces for refused asylum seekers. This has amounted to 677 nights of accommodation provided so far for Iranian, Ethiopian and Afghani residents. All residents so far have been former UASC (arrived as unaccompanied asylum-seeking children and went through the UK care system before being made homeless and destitute). We give weekly support appointments with a dedicated keyworker. All rent and utilities are paid by KAP and weekly subsistence is provided via Convoy of Hope.

Running through all our housing services is a desire to provide a home, not just a room. We believe that when someone can feel as if they belong and can take pride in their surroundings, they are far more likely to succeed in maintaining that tenancy and move on with their lives successfully. This value was epitomised when we

---

<sup>6</sup> United Nations High Commissioner for Refugees

## TRUSTEES' REPORT

recently moved a client into one of our supported accommodation houses and he was greeted by many of the current residents of the house and they not only welcomed him but went and helped him to unload his belongings from the taxi and move them into his new room. He was instantly welcomed into the community.

### OPPORTUNITIES

We recognise the need to tackle the causes of homelessness and to create space for people to rebuild their lives as part of a wider community. We provide a number of services which do this:

**ESOL.** English Language Training is designed to help learners to integrate better into the local community by developing their language skills. We provide a positive and encouraging learning environment. Learners are taught by qualified and experienced ESOL tutors with specialist knowledge of the issues refugees and migrants face. We normally hold our lessons in purpose-built rooms in Bedford where we offer an in-house crèche (staffed by a multilingual team). During the current pandemic we have moved our lessons online. We currently offer; Beginners' classes for pre-entry learners, One-to-one tuition, English Language Club for learners to learn through conversation and a literacy class for learners to improve their reading and writing skills. We have supported 112 individuals (including 42 children) in the past year.

**PATHWAYS.** This area of the Project is evolving into a strong community, proving a place for those who have recently been homeless or at risk of homelessness, to belong, gain self-confidence and rediscover their value as they have the opportunity to participate in a wide variety of courses and experiences offered. During 2020 despite having to move the majority of the course online, pathways has found a way to engage the community. They have produced some 'How to cook' videos in collaboration with Food Etc. After months of encouragement, the community have started to post videos of themselves cooking these recipes. It speaks of inner confidence and a sense of belonging to something. Those in the Pathways



community have started to want to give back. Until this lockdown, we had been filming exercise sessions with a client who holds a personal training qualification. We were able to pay him for his involvement and the response from the community was positive. There have been a number of clients securing voluntary and paid employment posts following help through the job club. We are working with other businesses such as a local photographer, cleaner, bakery and the egg shed to name but a few. One of the most exciting things to come out of 2020 has been the development of a telling my story project, in partnership with The Place Theatre. This was a digital event that provided an exciting opportunity for those we work with to have their voices heard. The participants either read their piece of writing live for the event, recorded it in advance, or had a local actor read it on their behalf. The goal was to have the voices of those who have been hidden be heard. This was a powerful event which the wider community was able to engage with. It was a good opportunity to challenge and educate people on issues relating to homelessness or being displaced. There were around 50 people accessing the event which it is hoped can be replicated in person on stage later this year.

### FUNDRAISING

The fundraising strategy for KAP is designed and delivered by a team with the approval of Senior Leadership Team (SLT) and trustees. In order to respond to the changing nature of fundraising in the current economic climate and the digital world in which we now live we have diversified our income streams and harnessed new ways to increase opportunities for people and organisations to partner with us financially

KAP seeks to raise funds from Regular and Major Donors, Churches, Schools, Corporate and Community Fundraising. A significant portion of our income is also raised through trusts and grants. We have also adopted The Enthuse Platform as an online way of people being able to connect with us to run their own fundraising events or support someone else's. We are signed up for 'Easyfundraising' and investigating 'RoundUp' as other digital tools through which regular



## TRUSTEES' REPORT

---

donations can be easily made. We have also upgraded our website, worked on new branding and invested in personnel to run our social media to improve our digital presence.

KAP adheres to legal principles underpinning fundraising and takes all reasonable steps to treat a donor fairly, enabling them to make an informed decision about any donation. We do not engage in fundraising which is an unreasonable intrusion on a person's privacy or force anyone to donate.

### THE FUTURE

Despite the uncertainty facing the charity sector at this time, KAP remains committed and focused on delivering our core mission to tackle homelessness and its causes, show the love of Jesus to the broken and lost, provide opportunity for change and draw people out of isolation into a meaningful community. Our plans for the future include actions to mitigate against the unknown as well as building on what we know are our strengths, setting us apart to be creative, caring and professional in all that we do.

**INCOME.** Given the financial pressures and the potential of an austerity budget for 2022 we know we need to future proof our income. We are doing this in a number of ways:

- Increasing the diversity of income streams across contracts, grants, local schools and churches, businesses and individuals. We have created new ways people can donate and are continuing to introduce new ways to engage digitally with one off or regular donors.
- We are focusing efforts on major donors who we know have a desire and the resources to help.
- We are starting to develop a social enterprise which will generate an income for us.
- We have introduced a fifth 'we believe' statement this year which is focused on engaging the community in being part of the solution with us to help muster more local support.

**TRAINING.** We are dealing with increasingly complex cases and are very mindful of issues for our staff around vicarious trauma, the need to navigate mental health issues, addictions, managing conflict, accurately and safely recording information, diversity awareness and inter-agency knowledge. Therefore, this year we are:

- Putting all our staff through Homeless Link vicarious trauma training.
- Enrolling all new staff on GDPR and equal opportunity courses and ensuring everyone completes refresher training throughout the year.
- We are planning and delivering a series of sessions at our fortnightly staff team time as we are able to gather in person to tackle some of the issues mentioned above.
- We have a small budget available for sending selected staff on specialist courses as we begin to build our expertise in areas of complex case management. We are particularly interested in exploring therapeutically informed environments for our clients and creating access to counselling, recognising the need to treat the whole person when dealing with homelessness and its causes and are therefore looking to upskill in this area.
- We are training our refugee and migrant service team to become qualified immigration advisors.

**SERVICES.** There are many areas of need across our town and beyond that we are aware of. We are focussing our attention on the things we know we do best; working with and valuing the individual to bring about long lasting change with compassion and professionalism. There is a particular problem in Bedford with the number of rough sleepers and those in temporary accommodation, therefore we are seeking new ways to break the cycle and help people find and keep a home. To this end we are:

- Exploring creative ways to provide homes and support which will break the cycle of homelessness.
- Continuing with the development of low support accommodation, providing homeless people with a stepping stone to successfully obtaining and maintaining their own independent tenancy, including the targeting of particularly vulnerable groups.
- Exploring the needs and viability of providing further accommodation and support to asylum seekers and destitute migrants.
- Continuing to grow and develop Pathways, creating a positive community for those who access it and building more links with local employers and businesses. This is a strong model for long term homelessness prevention.
- Growing a social enterprise which will create jobs and provide more opportunities for collaboration with local businesses and provide an income.

## TRUSTEES' REPORT

---

- Researching the possibility of acquiring a long-term rental site that can be a hub for training, accommodation and office space.
- Developing information and training resources for other churches to use to tackle poverty where they are based and for schools to raise awareness among young people about the needs of people in society around them.

### TRUSTEES, GOVERNANCE AND MANAGEMENT

The Trustees/Directors of KAP are as follows:

Roydon Loveley (Chair)

Kirstie Cook (Resigned 4 Jun 2020)

Simon Holley (Resigned 31 December 2020)

Vanessa Lipski (Appointed 28 January 2021)

Nigel Taylor

Stephen Wilson

Matthew Burge (Appointed 15 April 2021)

Paul Johnson (Resigned 15 Feb 2020)

Note that Kirstie Cook resigned as a Trustee prior to her secondment to the KAP as CEO from 1 Jul 2020.

The Trustees are also directors of the company. New Trustees are appointed with the approval of the other Trustees and in accordance with the Memorandum and Articles of Association. Without exception, new Trustees are already familiar with the work of KAP. Prior to their appointment, new Trustees will meet with the Chair of the Trustees to review:

- The roles and responsibilities of a Trustee.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position.
- Future plans and objectives.
- The Trustee Induction Procedure and Trustee Job Description.

### TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of KAP for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

## TRUSTEES' REPORT

---

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees met three times during 2020 and were regularly consulted and informed on matters of importance. In the year ending 31st December 2020 the Trustees had insurance cover up to the sum of £1 million. Trustees insurance is now part of our general insurance policy, the cost of insurance was £7,244 paid by the charitable company.

### MANAGEMENT TEAM

The day-to-day running of KAP is delegated by the Trustees to a Management Team composed of the Chief Executive Officer, Directors (not Trustees) and Managers. Following changes to key personnel in 2020 the management structure going forward into 2021 is as follows:

**Senior Management Team (SMT).** This consists of the CEO, the Director of Services and the Head of Operations. This team meets regularly to assess the overall health and direction of the charity. The Strategic Leadership Team (SLT) is made up of the SMT plus the Finance and Development Manager, the Accommodation Manager and the Refugee and Migrant Services Manager. This setting creates space for key leaders across the organisation to explore opportunities, exchange information and make strategic decisions.

**Stakeholder Engagement.** As well as having Trustees and Managers to oversee KAP we are committed to involving our clients in how we shape and deliver our services. We have a history of employing past service users and currently have two people on staff who have experienced homelessness and addiction in our town as well as 12 people across our team who have lived experience of the asylum and immigration systems. We have invited client input when recruiting for posts, which has been a great success. We are working towards creating a Lived Experience Advisory Panel (LEAP) which will enable us to identify people who are keen to contribute, help equip them to do so and provide opportunities for their voices to be heard across the whole organisation.

*"Full co-production means sharing power – giving people who use services an equal chance to sit at the table and make decisions about how to run it better. It means building up their confidence and developing their skills so that they can participate fully. It also means involving staff in the process and not just managers and trustees." - Homeless Link, 2018*

### GOVERNANCE

In addition to the oversight provided by the Trustees, principally via their meetings generally held at least three times a year and the Senior Management Team, the management and oversight of governance issues are provided by a Finance Team which usually meets monthly. The Finance Team includes the Chair of Trustees, CEO, Finance & Development Manager and Fundraising Manager.

### POLICIES AND PROCEDURES

**SAFEGUARDING.** At KAP we believe that every individual who accesses our services should be treated with dignity and respect, have their choice respected and not be forced to do anything against their will. KAP is committed to safeguarding all service users, and their children, coming into contact with the organisation, regardless of gender, ethnicity, disability, sexuality or beliefs. Safeguarding is everyone's responsibility and all employees who, during the course of their employment, have direct or indirect contact with vulnerable adults or children, or who have access to information about them, have a responsibility to safeguard and promote their welfare. Our policy includes but is not limited to safe recruitment, safe environment, safe culture, roles and responsibilities, procedures, duty to report and confidentiality.

**GDPR.** Our Head of Operations works closely with our HR and IT consultants to ensure that all our staff are trained and regularly updated on good practice with respect to GDPR. Given the vulnerability of our clients, the sensitive nature of much of the information we hold and the increase in remote working we have taken extra steps to ensure that all IT equipment is secure. This is reviewed by the SLT on a regular basis.

## TRUSTEES' REPORT

**EQUAL OPPORTUNITIES.** Our services are provided to all people, regardless of religion, race, ethnicity, gender, or sexual orientation. Our assistance and our programmes are offered to all with no conditions attached. We do not discriminate against anyone, whether clients or staff. KAP is a Christian organisation committed to fulfilling its mission and ethos in accordance with the values of its Christian faith. Accordingly, as a Christian organisation, there are posts which we believe can only be filled by Christians. These roles are kept under regular review. The nature of these posts or the context in which they are carried out and their link to the organisation's 'Statement of belief' give rise to a Genuine Occupational Requirement (GOR) for the post-holders to be Christian. All employees in these posts are required to demonstrate a clear, personal commitment to the Christian faith.

**HEALTH AND SAFETY.** KAP recognises and accepts its legal obligations under the Health and Safety at Work Act 1974 and all applicable regulations made under it to ensure, as far as is reasonably practical, the health and safety and welfare at work of all its employees, persons in training, directors, contractors, temporary workers and volunteers ("Employees") and the health and safety of service users, visitors and other persons who attend or use its premises. In accordance with its legal obligations, the Employer has carried out a risk assessment of its activities, equipment, facilities, building and all other related arrangements where matters of health and safety may be involved.

**FAMILY FRIENDLY.** KAP aims to be a family friendly employer. We have policies to support this including but not limited to: part time working, working from home, maternity/paternity leave, flexible emergency leave and carers leave.

**REMUNERATION POLICY.** The pay policy for all staff is reviewed annually and new posts are benchmarked against pay levels in equivalent posts in other organisations and external benchmark data. In addition to salary, we also offer a generous Employer Contribution Pension Scheme, Death In-Service Insurance, up to 33 days' annual leave per year, an employee benefits platform, including Cycle to Work, discounted social activities and an Employee Assistance Programme.

## FINANCIAL OVERVIEW

The accounts are prepared for 12 months of operations. A summary of the income and expenditure (£K) for 2020 and 2019 is shown below:

	2020	2019
Income	1,542.3	1,348.2
Expenditure	1,534.6	1,410.6
Surplus/Deficit	7.7	(62.4)

Income totalled £1,542.3K in 2020, an increase of 14% compared with 2019. During 2020 there was a surplus of £7.7K compared with a deficit in 2019.

## RESERVES

The policy on reserves, agreed by the Trustees, is that the appropriate level of unrestricted reserves should be based on a proportion of our regular costs as follows:

- Four months of long-term commitments, such as rent and utilities payments and the cost of running services which are a vital activity to maintain;
- Two months of medium-term commitments such as permanent staff costs and the financial support we provided to external parties.
- One month of short-term costs, including the day-to-day activities of the Trust.

Using the above criteria, a detailed review has estimated that reserves for 2021 should be at least £280K which represents around 2.2 months of expenditure. The current reserves are significantly less than that specified by the policy and efforts will be made during 2021 to increase the reserves.

# TRUSTEES' REPORT

## INVESTMENT POLICY

Reserve funds are invested such that the total in any one bank/building society is less than the £85K guarantee limit provided by the Financial Services Compensation Scheme (FSCS). In order to stay below the limit three savings accounts, with Virgin Money Plc, Co-Operative Bank and Shawbrook Bank Ltd, are utilised. In the current uncertain financial climate and with interest rates being very low, priority is being given to protecting the reserves under FSCS rather than seeking to maximize interest.

## RISK MANAGEMENT

The major risks as recognized by the Trustees are detailed below.

Nature of Risk	Risk Level	Mitigation
<b>GOVERNANCE</b>		
Well-being CEO/leadership team	Medium (mainly due to Covid)	Vaccinations, tests, access to support through HR, broadening of responsibilities across team
Inadequate reserves	Medium	Diversity of income streams to increase revenue. Budget set with a surplus. New accounting system in place to help manage daily progress more efficiently. CEO been on reserves training. New trustee who is an accountant
Size and skill set on Trustee board	Medium	Recruited 3 new trustees in the last 6 months. Seeking to have another recruitment round this year. CEO seeking training opportunities for trustees
Staff recruitment/retainment	Low	Improved recruitment process. Increased access to staff benefits. Building a culture of value, motivation and purpose.
Mission Drift	Low	Emphasis on values continual and well imbedded
<b>EXTERNAL RISKS</b>		
Cyber attacks – hacking, email interceptions etc	Medium	New contract with IT consultants has ensures all systems and equipment are fully protected with antivirus, firewalls and insurance
Loss of Office space due to fire/flood or notice on lease	Low	People can work from home, good relationship with office landlords
Loss of Office Server/Client info	Low	All info backed up, also stored on InForm
Pandemic	We are in one	Financial risks have been calculated and managed, staff worked from home, PPE assigned when needed, everyone had vaccines. All clients protected by staff taking appropriate precautions with regular input from Public Health England.
<b>COMPLIANCE WITH LAW AND REGULATION</b>		
Accused of discrimination and prejudice in the local and national media due to acts of past or present staff	Low	Adhere to equality act and equality policies. Have prepared robust response to GOR.



## TRUSTEES' REPORT

Accused of discrimination	Medium	Adhere to equality act and equality policies. Have prepared robust response to GOR.
Employee accusing discrimination	Low	Adhere to equality act and equality policies. Have prepared robust response to GOR.
<b>OPERATIONAL RISKS</b>		
Unaffordable Night Shelter rent increase	High	Reviewing service, investigating other properties, looking at other funding streams
Loss of housing provision due to extreme circumstances such as fire or flood.	Low	Ensuring all properties up to safety standards to protect against damage and accidents. On-going relationship with other housing providers and Kings Arms Church who would step in to help.
Change or Leadership	Low	Newly but well established team with broadening and transparent procedures- operational procedures well documented so others across the team could pick up and work with.
Client/staff member seriously injured/killed	Low	Health and safety training/policies in place, access to HR if support needed

Despite the challenges of 2020 the King's Arms Project finished in a stronger financial position than we were in at the beginning of the year. Our expenditure was less than budgeted and we were able to put some money into reserves. Going into 2021 we have a budget which forecasts a surplus again in line with our policy to increase our reserves in this season.

Our income is from a diversity of sources. We have a number of contracts with the local council and one with the home office which in total accounts for the on-going employment and salary costs for 31 out of 47 of our current staff team. These contracts are of varying length but all are running through 2021 and due for review and/or renewal throughout 2022.

We have negotiated an increase in our housing benefit rates and are becoming a registered provider in 2021 which will increase the opportunities for us to provide further bed spaces across the borough. We are currently able to claim housing benefit for up to 54 bed spaces at any one time through our nightshelter and move on housing which provides a significant and consistent portion of our income, including the staff costs of 5 employees.

The remaining 11 employees and operational costs are funded from management costs on contracts as well as income through grants and fundraising. Our fundraising team has already secured over 50% of the budgeted income through grants for 2021 and we are confident that given the on-going support for the homeless in this season the remaining 50% will be readily achieved. We have a new fundraising team which has already started some new initiatives to raise our profile and income through community fundraising given the current trends in this area.

With increasing numbers of people at risk of homelessness and those who are rough sleeping our services continue to be in high demand. We are in regular contact with public health and the council as we continue to be part of the solution in this season. Our prevention strategy providing opportunity through the pathways programme is growing in impact and continues to draw attention from funders. Our work with refugees and asylum seekers and support for those with no access to public funds is increasing and in line with our policy to find a dignified solution for these individuals.

## TRUSTEES' REPORT

---

Given the diversity of our income streams, the increasing demand for our services and our growing reputation for excellence with local and national partners and funders we feel that despite the uncertainty still facing the UK in 2021 we are in a strong position to continue to deliver and expand our services.

### AUDITOR

The auditor, Mazars LLP who have signified their willingness to act on KAP's behalf, were appointed to KAP for a further year at a meeting of the Trustees on 15 April 2021.

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on and signed on their behalf:



**Roydon Loveley,**

Chair of Trustees

Jun 11, 2021

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF KING'S ARMS PROJECT (BEDFORD)

---

### Opinion

We have audited the financial statements of King's Arms Project (Bedford) (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 December 2020 and of 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 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. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S ARMS PROJECT (BEDFORD)

---

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## Matters on which we are required to report by exception

In 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 and proper 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

## Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes 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 charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of King's Arms Project (Bedford) and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF KING'S ARMS PROJECT (BEDFORD)

---

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

  
Vincent Marke (Jun 11, 2021 16:32 GMT+1)

Vincent Marke  
(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF  
Date: Jun 11, 2021

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020**

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds year ended 31/12/20	Designated funds year ended 31/12/20	Restricted funds year ended 31/12/20	Total funds year ended 31/12/20	Total funds year ended 31/12/19
<b>Income</b>	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Income from generated funds</i>						
Voluntary income						
Donations		120,573	1,370	240	122,183	168,499
Other income/fundraising		21,905	1,019	-	22,924	18,253
Investment income		353	-	-	353	851
<i>Income from charitable activities</i>						
Rent & Housing Benefit		-	366,896	10,955	377,851	360,243
Supporting People/Rough Sleeper		-	308,099	-	308,099	245,205
No Recourse Accommodation		-	91,834	-	91,834	153,796
Refugee Support		-	430,954	-	430,954	253,898
Opportunity		-	10,800	-	10,800	-
Grants		50,075	-	127,254	177,329	147,429
<b>Total Income</b>	<b>2</b>	<b>192,906</b>	<b>1,210,972</b>	<b>138,449</b>	<b>1,542,327</b>	<b>1,348,174</b>
<b>Expenditure</b>						
Cost of raising funds		54,213	-	-	54,213	55,841
<b>Charitable activities</b>						
Outreach		-	533,450	41,150	574,600	601,331
Accommodation		-	385,516	9,250	394,766	379,654
Refugee Support		-	399,328	26,497	425,825	267,479
Opportunity		-	24,608	60,633	85,241	106,251
<b>Total Expenditure</b>	<b>3</b>	<b>54,213</b>	<b>1,342,902</b>	<b>137,530</b>	<b>1,534,645</b>	<b>1,410,556</b>
<b>Net movement in funds</b>	<b>5</b>	<b>138,693</b>	<b>(131,930)</b>	<b>919</b>	<b>7,682</b>	<b>(62,382)</b>
Balance brought forward	5	109,738	-	125,705	235,443	297,825
Transfers between funds	5	(130,619)	151,930	(21,311)	-	-
<b>Balances carried forward</b>	<b>5 &amp; 10</b>	<b>117,812</b>	<b>20,000</b>	<b>105,313</b>	<b>243,125</b>	<b>235,443</b>

The charity's incoming resources and resources expended all relate to continuing operations. The charity has no recognised gains or losses other than those included above. The notes on pages 24 to 34 form part of these accounts.

**BALANCE SHEET AS AT 31 DECEMBER 2020**

	Notes	2020	2019
		£	£
<b>Fixed assets</b>			
Tangible assets	6	33,263	43,386
<b>Current assets</b>			
Debtors	7	225,060	115,114
Short term deposits	8	23,952	73,715
Cash and cash equivalents	8	112,433	69,945
<b>Total current assets</b>		361,445	258,774
<b>Creditors falling due within one</b>	9	(151,583)	(66,717)
<b>Net current assets</b>		209,862	192,057
<b>Net assets</b>		<b>243,125</b>	<b>235,443</b>
<b>Funds</b>	5 & 10		
Unrestricted funds		117,812	109,738
Designated funds		20,000	-
Restricted funds		105,313	125,705
<b>Total funds</b>		<b>243,125</b>	<b>235,443</b>

The notes on pages 24 to 34 form part of these accounts.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf.



R. Loveley  
Trustee

Jun 11, 2021



S. Wilson  
Trustee

Jun 11, 2021



**STATEMENT OF CASH FLOWS AT 31 DECEMBER 2020**

	<b>2020</b> £	<b>2019</b> £
<b>Cash flows from operating activities:</b>		
Net movement in funds	7,682	(62,382)
Depreciation	21,262	23,698
Loss/(Surplus) on sale of fixed assets	-	3,613
Interest received	(353)	(851)
(Increase) in Trade and other receivables	(109,946)	(21,243)
Decrease / (Increase) in Short term investments	49,763	(550)
Increase / (Decrease) in Trade and other payables	84,866	(31,004)
<b>Net cash inflow from operating activities</b>	<b>53,274</b>	<b>(88,719)</b>
<b>Investing activities:</b>		
Purchase of fixed assets	(11,139)	(22,976)
Interest received	353	851
<b>Net increase in cash &amp; cash equivalents</b>	<b>42,488</b>	<b>(110,844)</b>
Opening cash and cash equivalents	69,945	180,789
Net increase in cash and cash equivalents	42,488	(110,844)
<b>Closing cash &amp; cash equivalents</b>	<b>112,433</b>	<b>69,945</b>

The notes on pages 24 to 34 form part of these accounts.

# NOTES TO THE FINANCIAL STATEMENTS

---

## ACCOUNTING POLICIES

### LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantees is limited to £10 per company member of the charity.

The financial statements are presented in sterling, which is also the functional currency of the charity.

### 1.1 Accounting convention and basis of preparation

The financial statements are prepared under the historical cost convention on a going concern basis, and in accordance with applicable accounting standards.

In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

The use of the going concern basis of accounting is appropriate because there are no identified events or conditions that may cast doubts about the ability of the charity to continue as a going concern. As detailed on page 16, since the start of the COVID-19 pandemic in March 2020 the King's Arms Project has continued to work with the homeless, needy and refugees in conjunction with Bedford Borough Council and other local agencies. While in mid-2021 it is not possible to fully determine the impact of COVID-19 on the operations of the charity, the Trustees continue to monitor the impact of the pandemic on the charity, but do not believe this will affect the charity's capacity to continue as a going concern.

### 1.2 Income

Any income received is credited to the relevant fund.

Tax credits (gift-aid) are included in the financial statements on an accruals basis as recommended by the Statement of Recommended Practice. This means that tax credits are taken into account in the period in which the originating donation was made. Income from grants is recognised in the year that it is received unless the donor specifies otherwise or the grant is given to cover service provision in more than one financial year. In such cases the income is deferred. Rents receivable are credited to the relevant designated fund based on the total due for the current year. Legacies are recognised when receipt is probable and the amount can be reliably measured.

### 1.3 Voluntary assistance and donated goods

Volunteers are key to the success of KAP and during 2020 there were over 78 (2019: 66) volunteers giving approximately 2,000 hours of service (2019: 4,500) - the decrease in volunteer hours is as a result of COVID and not being able to run services such as FNM for most of 2020.

Volunteers provided assistance to KAP including shifts at the Nightshelter, purchasing and preparing food for the Friday Night outreach meal (FNM), befriending refugees, assisting with courses and mentoring for staff and clients, helping during the pandemic with shopping and support.

Donated goods include food, clothes and consumables for the homeless.

Voluntary assistance and donated goods are not recognised in the financial statements as the amount cannot be measured accurately.

### 1.4 Allocation of costs

Costs are allocated directly to funds whenever applicable. Indirect costs are allocated from KAP administration to the designated funds based on a proportion of direct expenses by fund compared to overall direct expenses.

Staff costs represent direct charges as well as any KAP administration salaries and are allocated on the same basis.

## ACCOUNTING POLICIES (CONTINUED)

### 1.5 Pension costs

The pension costs charged in the financial statements represent the contributions payable by the charitable company during the year.

### 1.6 Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	20%-33% straight line
Motor vehicles	20% straight line

### 1.8 Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

#### Debtors:

Debtors are recognised on the accruals basis at the settlement amount due. Prepayments are valued at the amount prepaid and accrued income is valued at the best estimate of expected receipts.

#### Cash and cash equivalents:

Cash at bank and in hand includes cash and short term highly liquid investment with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### Creditors:

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

### 1.9 Unrestricted, designated and restricted funds

Unrestricted funds are funds given for the general purposes of the charitable company and these funds may be expended on the objects of the charitable company at the discretion of the Trustees.

Designated funds are unrestricted funds set aside for a purpose as determined by the Trustees.

Restricted funds are those funds that have been given for a specific purpose and they must only be expended on that purpose.

Unrestricted reserves include a legacy of £56K which was received in 2009. Whilst this is included in unrestricted reserves, the Trustees are planning to use this legacy to fund a future development project.

There is an overarching fund for KAP administration. This fund receives donations for general expenditure on any aspect of the work of the Charity. Within these criteria, the Trustees have discretion as to which designated fund the funds will be applied to.

# NOTES TO THE FINANCIAL STATEMENTS

---

## ACCOUNTING POLICIES (CONTINUED)

### 1.10 Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustee's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. The key area of judgement in the accounts relates to voluntary assistance and donated goods - refer to note 1.3.

# NOTES TO THE FINANCIAL STATEMENTS

## 2 Total Income

	Donation & Legacies	Fundraising	Investment Income	Rent & Housing Benefit	Supporting People	Services Income	Grants	Year ending 31.12.20 Total	Year ending 31.12.19 Total
	£	£	£	£	£	£	£	£	£
<b>Unrestricted Income</b>	<b>120,573</b>	<b>21,905</b>	<b>353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,075</b>	<b>192,906</b>	<b>175,322</b>
<b>Designated Income</b>									
<b>OUTREACH</b>									
Rough Sleeper Outreach Service	-	63	-	-	102,886	-	-	102,949	48,618
Friday Night Meeting	10	-	-	-	-	-	-	10	-
Nightshelter	1,045	693	-	142,801	205,213	-	-	349,752	343,568
<b>ACCOMMODATION</b>	<b>10</b>	<b>16</b>	<b>-</b>	<b>215,811</b>	<b>-</b>	<b>91,834</b>	<b>-</b>	<b>307,671</b>	<b>355,415</b>
<b>REFUGEE AND MIGRANT</b>	<b>280</b>	<b>245</b>	<b>-</b>	<b>8,284</b>	<b>-</b>	<b>430,954</b>	<b>-</b>	<b>439,763</b>	<b>263,957</b>
<b>OPPORTUNITY</b>	<b>25</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,800</b>	<b>-</b>	<b>10,827</b>	<b>-</b>
<b>Total Designated Income</b>	<b>1,370</b>	<b>1,019</b>	<b>-</b>	<b>366,896</b>	<b>308,099</b>	<b>533,588</b>	<b>-</b>	<b>1,210,972</b>	<b>1,011,558</b>
<b>Restricted Income</b>									
<b>OUTREACH</b>									
Rough Sleeper Outreach Service	-	-	-	-	-	-	16,770	16,770	25,288
Friday Night Meeting	-	-	-	-	-	-	5,759	5,759	4,520
Nightshelter	-	-	-	-	-	-	19,932	19,932	17,300
Nightshelter Purchase	-	-	-	-	-	-	-	-	20,000
<b>ACCOMMODATION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,250</b>	<b>9,250</b>	<b>17,863</b>
<b>REFUGEE SUPPORT</b>									
Refugee and Migrant Services	-	-	-	-	-	-	14,910	14,910	9,000
Refugee Care Fund	240	-	-	10,955	-	-	-	11,195	10,093
<b>OPPORTUNITY</b>									
Pathways	-	-	-	-	-	-	60,633	60,633	57,230
<b>Total Restricted Income</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>10,955</b>	<b>-</b>	<b>-</b>	<b>127,254</b>	<b>138,449</b>	<b>161,294</b>
<b>Total Income</b>	<b>122,183</b>	<b>22,924</b>	<b>353</b>	<b>377,851</b>	<b>308,099</b>	<b>533,588</b>	<b>177,329</b>	<b>1,542,327</b>	<b>1,348,174</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 3 Total Expenditure

	Staff Costs	Direct Costs	Indirect Costs	Depreciation	Year ending 31.12.20 Total	Year ending 31.12.19 Total
	£	£	£	£	£	£
<b>Fundraising &amp; Publicity</b>	<b>52,274</b>	<b>1,939</b>	<b>-</b>	<b>-</b>	<b>54,213</b>	<b>55,841</b>
<b>Designated Expenses</b>						
<b>OUTREACH</b>						
Rough Sleepers Outreach Service	78,793	19,746	9,226	587	108,352	91,347
Nightshelter	297,145	91,528	32,816	3,609	425,098	453,801
<b>ACCOMMODATION</b>	<b>159,902</b>	<b>183,710</b>	<b>29,109</b>	<b>12,795</b>	<b>385,516</b>	<b>361,791</b>
<b>REFUGEE AND MIGRANT SERVICES</b>	<b>263,540</b>	<b>101,863</b>	<b>30,545</b>	<b>3,380</b>	<b>399,328</b>	<b>246,222</b>
<b>OPPORTUNITY</b>	<b>14,668</b>	<b>2,771</b>	<b>6,285</b>	<b>884</b>	<b>24,608</b>	<b>-</b>
<b>Total Designated Expenses</b>	<b>814,048</b>	<b>399,618</b>	<b>107,981</b>	<b>21,255</b>	<b>1,342,902</b>	<b>1,153,161</b>
<b>Restricted Expenses</b>						
<b>OUTREACH</b>						
Rough Sleepers Outreach Service	16,770	-	-	-	16,770	25,288
Friday Night Meeting	754	3,359	328	7	4,448	13,595
Nightshelter	19,932	-	-	-	19,932	17,300
<b>ACCOMMODATION</b>	<b>9,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,250</b>	<b>17,863</b>
<b>REFUGEE SUPPORT</b>						
Refugee and Migrant Services	14,910	-	-	-	14,910	9,000
Refugee Care Fund	-	11,587	-	-	11,587	12,257
<b>OPPORTUNITY</b>						
Pathways	60,633	-	-	-	60,633	106,251
<b>Total Restricted Expenses</b>	<b>122,249</b>	<b>14,946</b>	<b>328</b>	<b>7</b>	<b>137,530</b>	<b>201,554</b>
<b>Total Charitable Expenditure</b>	<b>988,571</b>	<b>416,503</b>	<b>108,309</b>	<b>21,262</b>	<b>1,534,645</b>	<b>1,410,556</b>

Included in direct costs is auditor's remuneration of £5,000 (2019: £4,500) plus VAT.

The difference between Staff Costs in the above and Employee Information in Note 4 is £45,116. This is due to staff life insurance, recruitment expenses and agency worker's charges being included in the above but not in Note 4.

Fundraising and publicity costs relate mainly to staff working to secure grants and funding from a variety of organisations and grant-making trusts as well as organising fundraising events during the year.

# NOTES TO THE FINANCIAL STATEMENTS

## 4 Employee information

	2020	2019
	£	£
Salaries	828,969	725,694
Social security costs	60,076	54,065
Pension	54,410	52,535
<b>Total</b>	<b>943,455</b>	<b>832,294</b>

The table below details how many staff were employed for each project/service

	2020	2019
<b>OPERATIONS</b>		
Management & administration	6	8
Fundraisers	2	2
<b>OUTREACH</b>		
Rough Sleeper Outreach	1	2
EEA Outreach Worker	2	1
Nightshelter	12	11
FNM	0	1
Prison Outreach	1	1
<b>ACCOMMODATION</b>		
No Recourse/Move on Housing	5	4
<b>OPPORTUNITY</b>		
Pathways	3	3
<b>REFUGEE SUPPORT</b>		
Refugee Support	9	4
ESOL	6	3
<b>Total Employees</b>	<b>47</b>	<b>40</b>
<b>Total Full Time equivalents (FTE)</b>	<b>41.5</b>	<b>33.0</b>

No employee received remuneration of more than £60K in either 2019 or 2020.

Trustee remuneration is in accordance with the Memorandum & Articles of the Trust for services provided to the Trust. Trustee remuneration 2020: £nil (2019: £nil). Trustee expenses 2020: £nil (2019: £104).

Remuneration of key management personnel for the year ended 31 December 2020 comprising the CEO, Director of HR, Director of Services, Finance & Development Manager and Operations Manager totalled £170,426 (2019: £184,184). Kirstie Cook joined in July as CEO on secondment from the King's Arms Trust (Bedford) and her remuneration in 2020 is included in the above figure and also in the sum paid to the King's Arms Trust (Bedford) as shown in Note 13.

Redundancy costs during 2020 £10,079 (2019: £nil).



# NOTES TO THE FINANCIAL STATEMENTS

## 5 Movement in funds

	Opening balance	Income	Expenditure	Transfers	Closing balance 2020
	£	£	£	£	£
<b>Unrestricted Funds</b>	<b>109,738</b>	<b>192,906</b>	<b>(54,213)</b>	<b>(130,619)</b>	<b>117,812</b>
<b>Designated Funds</b>					
<b>OUTREACH</b>					
Rough Sleeper Outreach Service	-	102,949	(108,352)	5,403	-
Friday Night Meeting	-	10	-	(10)	-
Nightshelter	-	349,752	(425,098)	75,346	-
<b>ACCOMMODATION</b>	-	307,671	(385,516)	77,845	-
<b>REFUGEE AND MIGRANT SERVICES</b>	-	439,763	(399,328)	(40,435)	-
<b>OPPORTUNITY</b>	-	10,827	(24,608)	13,781	-
<b>CAPITAL PROJECT PURCHASE FUND</b>	-	-	-	20,000	20,000
<b>Total Designated Funds</b>	<b>-</b>	<b>1,210,972</b>	<b>(1,342,902)</b>	<b>151,930</b>	<b>20,000</b>
<b>Restricted Funds</b>					
<b>OUTREACH</b>					
Rough Sleeper Outreach Service	-	16,770	(16,770)	-	-
Friday Night Meeting	-	5,759	(4,448)	(1,311)	-
Nightshelter	-	19,932	(19,932)	-	-
Nightshelter Purchase	110,671	-	-	(20,000)	90,671
<b>ACCOMMODATION</b>	-	9,250	(9,250)	-	-
<b>REFUGEE SUPPORT</b>					
Refugee and Migrant Services	-	14,910	(14,910)	-	-
Refugee Care Fund	15,034	11,195	(11,587)	-	14,642
<b>OPPORTUNITY</b>					
Pathways to Employment	-	60,633	(60,633)	-	-
<b>Total Restricted Funds</b>	<b>125,705</b>	<b>138,449</b>	<b>(137,530)</b>	<b>(21,311)</b>	<b>105,313</b>
<b>Total movement in funds</b>	<b>235,443</b>	<b>1,542,327</b>	<b>(1,534,645)</b>	<b>-</b>	<b>243,125</b>

# NOTES TO THE FINANCIAL STATEMENTS

During 2020 a restricted gift of £20k towards the Nightshelter purchase was released by the donor to become unrestricted. The Trustees agreed to designate it as a Capital Project Purchase Fund.

Any deficit in a designated fund will be covered from the unrestricted fund. Any surplus from a designated fund will be transferred to unrestricted at the year-end leaving all designated funds with a zero balance with the exception of the Capital Project Purchase Fund. The purpose of the unrestricted fund is to:

- cover any deficits in designated funds.
- meet the requirements of the KAP Reserves policy.
- to keep funds available for future developments of the KAP.

## 6 Fixed assets

	Fixtures & fittings	Motor vehicles	Total
Cost	£	£	£
As at 1 <sup>st</sup> January 2020	98,143	13,720	111,863
Additions	11,139	-	11,139
Disposals	-	-	-
<b>Cost at 31<sup>st</sup> December 2020</b>	<b>109,282</b>	<b>13,720</b>	<b>123,002</b>
<b>Depreciation</b>			
As at 1 <sup>st</sup> January 2020	61,665	6,812	68,477
Charge for the year	18,518	2,744	21,262
Eliminated on disposal	-	-	-
<b>Depreciation at 31<sup>st</sup> December 2020</b>	<b>80,183</b>	<b>9,556</b>	<b>89,739</b>
<b>Net book value at 31<sup>st</sup> December 2020</b>	<b>29,099</b>	<b>4,164</b>	<b>33,263</b>
<b>Net book value at 31<sup>st</sup> December 2019</b>	<b>36,478</b>	<b>6,908</b>	<b>43,386</b>

## 7 Debtors

	2020	2019
	£	£
Accrued income & prepayments	214,694	109,436
Tax credit (gift-aid)	10,366	5,678
<b>Total debtors</b>	<b>225,060</b>	<b>115,114</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 8 Short term deposits and cash and cash equivalents

	2020	2019
	£	£
Accounts over 90 days	23,952	73,715
Bank accounts	112,433	69,945
<b>Total</b>	<b>136,385</b>	<b>143,660</b>

## 9 Creditors falling due within one year

	2020	2019
	£	£
Deferred income	104,694	24,309
Creditors	46,889	36,937
Accrued expenses	-	5,471
<b>Total creditors</b>	<b>151,583</b>	<b>66,717</b>

### Deferred income

At 1 <sup>st</sup> January	24,309	59,918
Received during the year	104,694	24,309
Released to incoming resources for the year	(24,309)	(59,918)
<b>At 31<sup>st</sup> December</b>	<b>104,694</b>	<b>24,309</b>

Income is deferred where income has been received in advance or the recognition criteria have not yet been met.

# NOTES TO THE FINANCIAL STATEMENTS

## 10 Net assets held by funds

	Fixed assets	Debtors	Bank and cash	Creditors	Total
	£	£	£	£	£
<b>Unrestricted Funds</b>	<b>1,777</b>	<b>30,270</b>	<b>112,791</b>	<b>(27,026)</b>	<b>117,812</b>
<b>Designated Funds</b>					
<b>OUTREACH</b>					
Rough Sleeper Outreach Service	798	1,845	(2,527)	(116)	-
Friday Night Meeting	-	-	-	-	-
Nightshelter	3,534	33,697	(33,651)	(3,580)	-
<b>ACCOMMODATION</b>	<b>18,744</b>	<b>27,759</b>	<b>(42,967)</b>	<b>(3,536)</b>	<b>-</b>
<b>REFUGEE AND MIGRANT SERVICES</b>	<b>6,901</b>	<b>78,733</b>	<b>(74,600)</b>	<b>(11,034)</b>	<b>-</b>
<b>OPPORTUNITY</b>					
Pathway to Employment	1,509	32,271	(4,346)	(29,434)	-
<b>CAPITAL PROJECT PURCHASE FUND</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
<b>Total Designated Funds</b>	<b>31,486</b>	<b>174,305</b>	<b>(138,091)</b>	<b>(47,700)</b>	<b>20,000</b>
<b>Restricted Funds</b>					
<b>OUTREACH</b>					
Rough Sleeper Outreach Service	-	-	60,277	(60,277)	-
Nightshelter Purchase	-	-	90,671	-	90,671
<b>ACCOMMODATION</b>	<b>-</b>	<b>20,485</b>	<b>(20,235)</b>	<b>(250)</b>	<b>-</b>
<b>REFUGEE SUPPORT</b>					
Refugee and Migrant Services	-	-	14,790	(14,790)	-
Refugee Care Fund	-	-	16,182	(1,540)	14,642
<b>Total Restricted Funds</b>	<b>-</b>	<b>20,485</b>	<b>161,685</b>	<b>(76,857)</b>	<b>105,313</b>
<b>Total Funds</b>	<b>33,263</b>	<b>225,060</b>	<b>136,385</b>	<b>(151,583)</b>	<b>243,125</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 11 Financial commitments and contingent liabilities

At the year end the charitable company was committed to making the following payments under operating leases in the coming year:

	Property	Equipment	Total 2020	Total 2019
	£	£	£	£
Expiring within one year	74,828	-	74,828	176,300
Expiring within two to five years	111,139	-	111,139	115,341
Expiring over five years	3,993	-	3,993	-
<b>Total</b>	<b>189,960</b>	<b>-</b>	<b>189,960</b>	<b>291,641</b>

The total lease expense paid in 2020 was £172,805, lower than expected on three properties due to a one month's free rent reduction given during the pandemic.

## 12 Pension costs

During the year defined contribution pension costs of £54,410 (2019: £52,535) were paid on behalf of 43 employees (2019: 38) to pension schemes administered independently of the charitable company. There were no pension liabilities outstanding at the year end.

## 13 Related Party Transactions

KAP was previously part of the King's Arms Trust (Bedford) (KAT) and shares some of the same Trustees (Directors). The total amount of donations received, without conditions, from the Trustees in the year was £1,430 (2019: £1,740).

During the period, rent, pensions and service charges of £107,663 (2019: £114,767) were payable to the KAT for use of offices, conference and transportation facilities at King's House. This figure also includes repayment of the seconded CEO's salary from 1<sup>st</sup> July to 31<sup>st</sup> December and the pension costs that are collected by the pension provider from KAT – see note 12. There was an outstanding balance of £5,029 (2019: £5,384) due to the KAT at the year end. In addition, KAP supported the KAT's Re-Track training initiative, donating £500.

During 2020, KAT gave a total of £22,555 (2019: £56,103) to KAP. This consisted of gifts from the King's Arms Church and also repayments for services KAP provided to KAT. There was no outstanding balance in 2020 promised to KAP at the year-end (2019: £1,163).