

Charity Registration No. 1183216

KING'S CHURCH, NEWPORT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

KING'S CHURCH, NEWPORT

CONTENTS

	Page
Trustees' report	1 - 9
Statement of trustees' responsibilities	10
Independent auditor's report	11 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 30

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

General

The King's Church is based in Newport, South Wales and focuses its attention in presenting the Christian message and empowering people to reach their God-given potential, in addition to trying to help meet the practical needs of the communities that constitute the city of Newport.

Principle Activities

The charity's main activities can be summarised as follows:

- To share the gospel and teachings of Jesus Christ through all our Church services and meetings
- To provide guidance, care and support to those within the Church
- To impact the city and beyond with outreach projects and programmes

The vision of our Church is to:

- *Reach*
Towards one another through fellowship
The world in which we live with the Gospel
- *Renew*
As followers of Jesus we are committed to live in the new life He has promised us through His Word.
- *Release*
Using our lives to be servant hearted

The Church, now operating as a CIO, very much remains completely focussed through its principle activities to continue in its objectives to further the Christian Church in all of its activities and services.

Public Benefit

The King's Church was established as a CIO in May 2019, after operating as a registered charity (of the same name) since 1999. The Object of the Church is, for the public benefit, to advance the Christian religion in the UK and such parts of the world as the Charity Trustees may think fit, including by but not limited to, the enrichment of lives through support, training, care and guidance in line with the teachings of the Christian Bible. The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

How do activities contribute to the achievement of its stated aims and objectives?

Spreading the gospel and following the teachings of Jesus is at the heart of all activities, aims and objectives of King's Church. Strategically, any development of a new activity or review of an existing activity which has that core purpose will be in line with the charity's aims and objectives.

How will achievement of aims further its legal purpose?

King's Church's charitable aim is to reach others with the Gospel of Jesus. The Church makes a clear statement that it believes the Bible cover-to-cover. The achievement of its aims through the programme of activities ensures that anyone who encounters the work of the charity understands the sole purpose is to advance the gospel.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

At the beginning of 2020 we continued to hold morning services, which were well attended by our congregation. Children's and Youth services were also extremely well attended. We continued to build on the foundation already established, maintaining the financial commitment to the Church through tithes and offerings, and maintaining attendance at services.

As the COVID-19 pandemic became apparent and the UK was taken into lockdown, we had to adapt our working practices to ensure that the needs of the congregation continued to be met and government guidelines adhered to.

At the beginning of the pandemic all Sunday services and midweek meetings and activities were stopped in accordance with government guidelines, with the exception of the Jesus Cares project, which played a vital role in providing practical support to communities at that time.

We adapted to the lockdown regulations in place by implementing the following:

1. Services Online (March to July)

- Sunday messages were pre-recorded at the Church and links were sent to the congregation weekly to watch the services via YouTube. We also premiered these services via Facebook and found many people watched the services on this platform.
- We redesigned our website to carry all relevant updates regarding our services and activities. We also created a 'Sunday Online' Page for this new season which provided all links for staying connected including: how to watch pre-recorded messages, sending in prayer requests, getting connected in groups, updating details, and how to give online.

2. Adapting In-Person Services from 2nd August:

- We worked within government guidelines and liaised with Newport trading standards to ensure our buildings were reconfigured to open safely.
- We introduced two services each Sunday morning to ensure sufficient capacity for people to attend.
- We set up a robust registration process for services each week which are Trace and Protect compliant
- We started a new live streaming service via YouTube which has enabled people to enjoy the services as they happen.
- We also offered a catch-up on-demand service via Facebook and YouTube with links being sent to our congregation each week.

3. Giving

- Having moved our software systems in November 2019, we were able to utilise the online giving platform to be embedded into our website. This has proved invaluable and enabled people to give online and set up monthly direct debits via credit card, when in-person giving has not been possible.
- Our congregation has continued to give generously during the lockdown period, although we have seen a decrease in donations. This has been due to a number of reasons including people being unable to bring cash donations as we were unable to meet in-person for weekly services, loss of jobs and reduction in wages.

4. Expenditure/Grants

- We contacted our suppliers at the beginning of the pandemic to reduce costs to the charity.
- We took advantage of the CJRS grant for furloughed staff.
- We applied for and received additional funding and grants for Jesus Cares.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5. Volunteers

- Our volunteers have been instrumental in enabling us to continue to operate Jesus Cares during this pandemic. As a result of shielding guidance, sadly we had to stand down nearly half of our volunteers who were deemed to be vulnerable due to age or pre-existing conditions. To overcome the challenge of not having enough volunteers to complete the work required to operate as normal, we advertised volunteer opportunities to our congregation and through social media, creating 2 hour sign-up sessions throughout the week. The volunteer numbers were limited to ensure compliance with legislation. This has proven extremely effective and as a result we have seen a big increase in the number of people volunteering in Jesus Cares each month.
- When reopening our buildings for Sunday Services all volunteers available to help completed training in order to comply with the Trace and Protect and cleaning requirements of the government.

Ministry Update

In line with the vision of our Church, the following took place:

Reach

The Great Commandment

Connect Groups – Forming an integral part of reaching towards one another, we continued to invite our congregation to get involved in a connect group. In February we saw attendance in our connect groups increase as we launched the Bible Course within our groups. During lockdown we switched to online meetings (via zoom and other platforms) when meeting physically was restricted, with a good proportion of our existing group members joining online. Towards the end of the year, we launched weekly Sunday Study notes to complement the teaching received through our groups. Commitment and interest remains strong in our connect groups with new people joining groups each session.

Care & Support – Throughout the year we offered help and support to our congregation and new Christians through many different channels: from face to face meetings (services, connect groups, midweek activities), telephone conversations to online meetings during lockdown – we have tried to utilise all means possible to care for and support our congregation.

Prior to lockdown we hosted monthly lunches for the whole church and provided complimentary tickets for people new to church or those who were not able to afford it. We utilised the time spent in lunch to have meaningful discussions with those new to King's and used it as an opportunity to let them know more about the Church and how to get connected within the life of the Church.

During the first lockdown we quickly identified our elderly and more vulnerable members of the congregation, who we called regularly with offers of support, prayer and assistance. As the year progressed, pastoral care calls were made to all of our congregation including video calls to parents and children. These have continued throughout the year with many people touched by the calls they receive.

The Great Commission

Outreach – Each week a team of dedicated volunteers went onto the streets in various locations across Newport to share with people about Jesus. Whilst unable to meet during lockdown, the team were able to continue sharing once restrictions eased. In the second half of the year we focussed on the Pontypool area and have shared our faith with the people living there. We've received some great testimonies of how Jesus has changed lives and met the needs of those people we have come into contact with.

Prison Ministry – At the beginning of the year we were able to attend 3 prisons and conduct 4 services before lockdown. However, from March onwards, the prisons closed to visitors and did not reopen for the remainder of the year.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Jesus Cares – Throughout the year, Jesus Cares has continued to help those in poverty in deprivation in the South Wales area. To help us provide additional assistance to those affected by the COVID pandemic, we were awarded an additional £50,000 from the Big Lottery and £5,000 from Newport City Council.

During this season we have seen an increase in the number of volunteers. We have introduced a new online volunteering system, where volunteers can book their place to come and volunteer and we have also introduced a 'drive-by laundry' whereby those wishing to help from home can simply call ahead and collect laundry from outside our offices. Our volunteers have adapted extremely well to the new working practices and regulations in the light of the COVID pandemic and all reasonable measures have been taken to ensure that we continue to work safely.

Throughout the course of the year, we delivered food and other essential provisions to a network of over 127 organisations. Jesus Cares continued to provide meaningful involvement opportunities for members of the community who wanted to help make a difference in the lives of others. We provided volunteer opportunities for people from Probation Services, GAVO, Newport Council, in addition to members of the public. In 2020, we oversaw 136 volunteers who contributed over 10,318 volunteer hours, 105 of which were new volunteers to Jesus Cares. Prior to lockdown we hosted 1 corporate day as part of the company's corporate responsibility days.

In 2020 Jesus Cares distributed:

- 26,363 Food hampers
- 3,428 Nappies
- 10,045 Hygiene & sanitary products
- 1,042 Baby & children's clothing pods
- 827 Christmas presents
- 430 Soft furnishings

Community Minibus - At the beginning of the year our community minibus provided transport for people from the Duffryn & Bettws areas who struggled with public transport to our Sunday services. We usually had to provide two collection/drop off routes each week. We also offered the same service to our young people on a Friday evening who attended our youth provision from all areas of Newport. This service will resume once restrictions lift.

Evangelism – Prior to lockdown we hosted an evangelism training night run by the Billy Graham Evangelistic Association.

Ministry Support – This year we continued to provide support to programmes for the relief of poverty and preaching of the Gospel both in the UK and overseas:

- His Church Charity (working into refugee camps in Syria)
- Gideons (distributing Bibles in our local area)
- Samaritans Purse UK (Operation Christmas Child - over 180 shoeboxes full of Christmas gifts for children were sent overseas)

Renew

Sunday and Midweek Services – Sunday services and midweek services provide a focal point for teaching our congregation. In 2020, as well as meeting on a Sunday morning, we also held a monthly evening meeting in January and February and then launched weekly Sunday evening meetings in March. As a result of national and subsequent local lockdowns, requiring the closure of our buildings for public meetings, our Sunday morning service moved online.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

When Sunday services were able to resume, we launched in-person morning services at 9.30am and 11.30am and began live streaming these through YouTube as well as making the service available on demand via Facebook and YouTube. We have seen about a third of our congregation return to in-person services, with many of our congregation continuing to enjoy services online. During this season we have not been able to provide any children's or youth provisions for our families, in order to comply with government guidelines.

Children's & Youth Provisions - At the start of the year we continued with our Sunday and midweek provisions for Under 18's with King's Kids, Youth and Creative Academy taking place weekly. During the lockdown period we were unable to provide these services, however, contact remained with our young people through calls, video contact with children & parents and innovative online interaction with our Youth and leaders.

Men & Women – Prior to lockdown the ladies met for a Sisterhood evening in January, and an over 55's trip in February. The men also met in February. Although unable to meet physically for the remainder of the year due to COVID restrictions, the needs of our men and women have continued to be met through pastoral care calls and connect groups specifically set up for the men and women of our Church

Discover New Life Class – Prior to lockdown we were able to host one four week Discover New Life class for new Christians.

Release

Volunteers –We have 20 teams available for volunteers to get involved in, within the life of the Church. Prior to lockdown we saw 152 volunteers faithfully serving across all areas. At the beginning of March we launched a 'Do Something Great' campaign to encourage people to get involved and enable them to release their talents in all areas of Church life. In the 2 weeks following launch and prior to lockdown, 27 people completed cards to indicate they would like to get involved.

As a result of lockdown, having to close our buildings and stop our public meetings, for a large part of the year, most of our teams have not been able to function. However, our volunteers have remained faithful and willing to serve both mid-week in our Jesus Cares teams and assisting during Sunday services where able to do so.

Prayer – Throughout the year we have had a team of people who continued to pray for the needs of our church congregation and others, and as restrictions were lifted, meeting to pray before Sunday services. We also have a group that prays specifically for Israel.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The net assets from The Kings Church Newport South Wales (charity number 519494) were transferred to the charitable incorporated organisation on 1st January 2020.

The net assets consisted of unrestricted net assets of £847,303 and restricted net assets of £250,034.

The results of the charity can be seen below:

	Unrestricted	Restricted	Total 2020
Income	£1,086,938	£521,007	£1,607,945
Expenditure	(£139,391)	(£216,637)	(£356,028)
Less net assets transferred from unincorporated charity	(£847,303)	(£250,034)	(£1,097,337)
Transfers	£30,000	(£30,000)	-
Actual operational results	£130,244	£24,336	£154,580

Reserves policy

It is the policy of the charity to maintain unrestricted funds to cover 6 months management and administration costs and to respond to applications for donations which arise from time to time.

Reserve levels will be monitored monthly throughout the year. In this way the management team will be aware of the buildup of excess reserves or of reserves being unexpectedly or rapidly depleted. If the charity has excess reserves, the trustees will ensure that they do not misrepresent the urgency or need for funds.

Unrestricted reserves at year end were £977,547 (2019: £nil). The charity's free reserves available at the year end totaled £169,727 (2019: £nil). The trustees are aware that the free reserves of the charity do not currently meet its reserves policy but has put plans in place to try and build the free reserves of the charity going forward. Over the last few years, significant progress has been made towards this with cash at bank balances increasing year on year, demonstrating an ongoing trend of improvement in position. This reflects both the trustees and the management teams hard work in reducing outgoings and making savings where possible.

A full review of outgoings has been undertaken and it is recognised that savings will be made when renewing utilities contracts, insurance contracts and seeking alternate printing sources. At that time, surplus funds will be transferred to a longer-term Savings account in accordance with the policy.

Principal funding sources

The charity's principal funding sources are tithes and offerings and gift aid.

Investment policy

Under the trust deed the charity has the power to make any investment which the trustees see fit.

Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The key risks identified by the charity during the year were:

- Dependency on income sources - the charity mitigates against this risk by where possible trying to reduce overhead by ensuring value for money on all supplier contracts is undertaken.
- Loss of key staff - the charity mitigates against this risk by succession planning, implementing training programmes and reviewing and revising recruitment processes where required.
- Information Technology failures and inadequacies- the charity mitigates against this risk by ensuring an IT recovery plan is in place, regular data back ups and ensuring the charity has adequate security measures in place.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for future periods

Looking to the future, King's Church plans to continue activities that help us achieve our charitable objectives. At the time of this report we are still in national lockdown with the First Minister stating that it is not likely for life to return to normal during 2021. We will continue to keep up-to-date with latest government guidelines with the view to re-engaging in normal church activities as soon as possible.

Structure, governance and management

Constitution and objects

The charity is constituted under a CIO association registered 1 May 2019 and is a charitable incorporated organisation, charity number 1183216.

Organisation

At the end of the year the charity has three trustees who are responsible to manage the affairs of the Church.

The responsibility of running and operating the charity on a day to day basis is delegated to an administration team who work from the premises in 71 Lower Dock Street, Newport overseen by Pastor David & Faye Edwards.

Delegation of duties

The trustees have the responsibility to make decisions affecting the charity's submission of major grant applications, major building works and purchases of capital assets and are consulted when changes in personnel occur. Small grants applications are approved by the Management Team and all general purchases are authorised by the Lead Pastors.

To be appointed as a Charity Trustee a person must, in the opinion of the Lead Pastor:

- i. be interested in furthering the Object;
- ii. subscribe to the Statement of Faith and demonstrate their adherence by their life style;
- iii. be an active and participating member of the congregation of the Church;
- iv. give regular financial donations to the work of the Church; and
- v. be committed to embodying the character traits described in 1 Timothy 3:1-7 to the best of their ability.

In selecting individuals for appointment as a Charity Trustee regard must be had to the skills, knowledge and experience needed for the effective administration of the Church.

In order for decisions to be made there needs to be a minimum of three trustees in place. When a trustee resigns, the lead pastor appoints a replacement before any other matters are considered. A new lead pastor is appointed by the existing lead pastor, contingent to the regulations set out in the governing document.

New Trustees meet individually with Pastor David Edwards giving opportunity for a lengthy discussion regarding the charity, its operations and future plans. Arrangements are then made for the trustee details and signature to be passed to the relevant bodies for inclusion in charity documents.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Remuneration policy

The charity undertake pay reviews annually with the following considered when setting the salary of its key management personnel:

- Financial health of Church
- Compare wages against cost of living: Inflation as measured by the Retail Price Index (RPI), Consumer Price Index (CPI)
- Compare wages against average earnings for similar role in other organisations
- Employees experience / length of service
- Increase in role responsibilities
- Employees remuneration package

Reference and administrative details

Charity number	1183216
Governing document	CIO - Association registered 1 May 2019
Trustees	Mr D Wood Mr J W Wright Mr P Marshall
Key management personnel	David Edwards - Lead Pastor Faye Edwards - Associate Lead Pastor and Jesus Cares Project Co-ordinator Hayley Corley - PA and Office Manager
Principal office	Kings Church Administrative Office 71 Lower Dock Street Newport NP20 1EH
Bankers	Barclays Bank PLC 14 Commercial Street Newport NP20 1HE
Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Solicitors	Harding Evans Queens Chambers 2 North Street Newport NP20 1TE

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

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

 -
.....

Mr J W Wright - Trustee

Dated: 19/9/21

KING'S CHURCH, NEWPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KING'S CHURCH, NEWPORT

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF KING'S CHURCH, NEWPORT

Opinion

We have audited the financial statements of King's Church, Newport (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 the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KING'S CHURCH, NEWPORT

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF KING'S CHURCH, NEWPORT

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

KING'S CHURCH, NEWPORT

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF KING'S CHURCH, NEWPORT

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

KING'S CHURCH, NEWPORT

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF KING'S CHURCH, NEWPORT

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

27-9-2021
.....

**Chartered Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

KING'S CHURCH, NEWPORT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	3	1,079,095	250,034	1,329,129	-
Charitable activities	4	2,500	270,973	273,473	-
Other trading activities	5	4,922	-	4,922	-
Investments	6	421	-	421	-
Total income		1,086,938	521,007	1,607,945	-
Expenditure on:					
Charitable activities	7	139,391	216,637	356,028	-
Net incoming resources before transfers		947,547	304,370	1,251,917	-
Gross transfers between funds		30,000	(30,000)	-	-
Net income for the year/ Net movement in funds		977,547	274,370	1,251,917	-
Fund balances at 1 January 2020		-	-	-	-
Fund balances at 31 December 2020		977,547	274,370	1,251,917	-

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

All income and expenditure derive from continuing activities.

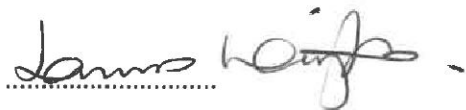
KING'S CHURCH, NEWPORT

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		1,040,059		-
Current assets					
Debtors	12	36,505		-	
Cash at bank and in hand		452,704		-	
		489,209		-	
Creditors: amounts falling due within one year	13	(33,076)		-	
Net current assets			456,133		-
Total assets less current liabilities			1,496,192		-
Creditors: amounts falling due after more than one year	15		(244,275)		-
Net assets			1,251,917		-
Income funds					
Restricted funds	17		274,370		-
<u>Unrestricted funds</u>					
Designated funds	18	807,820		-	
General unrestricted funds		169,727		-	
			977,547		-
			1,251,917		-

The financial statements were approved by the Trustees on 19/9/20 JW .



Mr J W Wright - Trustee

KING'S CHURCH, NEWPORT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		1,255,824		-
Investing activities					
Purchase of tangible fixed assets		(19,433)		-	
Assets transferred from unincorporated charity		(1,052,743)		-	
Investment income received		421		-	
Net cash used in investing activities			(1,071,755)		-
Financing activities					
Loan transferred from unincorporated charity		293,259		-	
Repayment of bank loans		(24,624)		-	
Net cash generated from/(used in) financing activities			268,635		-
Net increase in cash and cash equivalents			452,704		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			452,704		-

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

King's Church, Newport is a charitable incorporated organisation, whose principal office is Kings Church Administrative Office, 71 Lower Dock Street, Newport, NP20 1EH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

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

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Capital grants are released to the Statement of Financial Activities in the year of receipt. Fixed assets relating to capital grants are capitalised, and depreciation charged is offset against the grant income, in a restricted fund.

Income from room hire and events is recognised in the period to which the service is provided and the event is held.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading:

- Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees report

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure is allocated between direct charitable expenditure and support costs. This is shown in notes 7 and 8 of the financial statements. The trustees have exercised their judgement in the apportionment of some categories of expenditure between these two major headings. Support costs have been allocated between governance and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	2% Straight line
Fixtures and fittings	20% Straight line & 25% Straight line
Motor vehicles	25% Straight line

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

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Assets with a value below £1,000 have not been capitalised.

1.7 Impairment of fixed assets

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

1.8 Stocks

Donated goods and gifts of food are included at a value equivalent to the fair value at the date of donation, other than where it is not practical to calculate a reliable fair value on receipt of goods. As the goods are held for free distribution the values have been written down to a nil realisable value in the financial statements.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Taxation

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

1.12 Employee benefits

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

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

1.13 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

The charity does not have any key or significant accounting estimates.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	1,079,095	250,034	1,329,129	-
Donations and gifts				
Tithes and offerings	179,965	-	179,965	-
Gift aid	31,525	-	31,525	-
Donations	5,302	-	5,302	-
Legacy	15,000	-	15,000	-
Transfer from unincorporated charity to CIO	847,303	250,034	1,097,337	-
	1,079,095	250,034	1,329,129	-

The net assets from The Kings Church Newport South Wales (charity number 519494) were transferred to the charitable incorporated organisation on 1st January 2020.

The net assets consisted of unrestricted net assets of £847,303 and restricted net assets of £250,034.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	2020	2019
	£	£
Grants	270,973	-
Events	2,244	-
Other income	256	-
	<u>273,473</u>	<u>-</u>
Analysis by fund		
Unrestricted funds	2,500	-
Restricted funds	270,973	-
	<u>273,473</u>	<u>-</u>
Grants		
Coronavirus Job Retention Scheme	47,301	-
Big Lottery Fund	208,672	-
Awards For All Wales	10,000	-
Newport City Council	5,000	-
	<u>270,973</u>	<u>-</u>

5 Other trading activities

	Unrestricted funds	Total
	2020	2019
	£	£
Bookshop income	22	-
Rental income	4,900	-
	<u>4,922</u>	<u>-</u>
Other trading activities		
	<u>4,922</u>	<u>-</u>

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Investments

	Unrestricted funds	Total
	2020 £	2019 £
Interest receivable	421	-

7 Charitable activities

	2020 £	2019 £
Staff costs	122,212	-
Depreciation and impairment	32,117	-
Jesus Cares Project	90,339	-
Mission donations	5,100	-
Event costs	22,300	-
Premises costs	27,777	-
Administration costs	7,914	-
Advertising	112	-
	307,871	-
Share of support costs (see note 8)	42,457	-
Share of governance costs (see note 8)	5,700	-
	356,028	-
Analysis by fund		
Unrestricted funds	139,391	-
Restricted funds	216,637	-
	356,028	-

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	30,553	-	30,553	-	-	-
Bank & loan interest	10,628	-	10,628	-	-	-
Bank charges	1,276	-	1,276	-	-	-
Audit fees	-	5,700	5,700	-	-	-
	<u>42,457</u>	<u>5,700</u>	<u>48,157</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysed between Charitable activities	<u>42,457</u>	<u>5,700</u>	<u>48,157</u>	<u>-</u>	<u>-</u>	<u>-</u>

Governance costs includes payments to the auditors of £4,950 for audit fees and £750 for accountancy services (2019: £nil).

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or prior year.

No trustees were reimbursed for expenses in the current or prior year.

During the year 3 trustees made donations totalling £5,780 (2019: £nil).

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>6</u>	<u>-</u>
Employment costs	2020 £	2019 £
Wages and salaries	141,771	-
Social security costs	8,003	-
Other pension costs	2,991	-
	<u>152,765</u>	<u>-</u>

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

(Continued)

Key management personnel

The key management personnel as detailed in the trustees report received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £100,755 (2019: £nil).

There were no employees whose annual remuneration was £60,000 or more in the current or prior year.

11 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
Additions	-	19,433	-	19,433
Net book value transferred from unincorporated charity	1,035,936	4,083	12,724	1,052,743
At 31 December 2020	1,035,936	23,516	12,724	1,072,176
Depreciation and impairment				
Depreciation charged in the year	24,251	3,848	4,018	32,117
At 31 December 2020	24,251	3,848	4,018	32,117
Carrying amount				
At 31 December 2020	1,011,685	19,668	8,706	1,040,059

Land buildings were revalued at 30th June 2012 by the Bryan Long Partnership who are independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,326,931.

Freehold land and buildings with a carrying amount of £1,011,685 have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	225	-
Other debtors	30,275	-
Prepayments and accrued income	6,005	-
	36,505	-

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	14	24,360	-
Trade creditors		313	-
Accruals and deferred income		8,403	-
		<u>33,076</u>	<u>-</u>

14 Loans and overdrafts

	2020 £	2019 £
Bank loans	268,635	-
	<u>268,635</u>	<u>-</u>
Payable within one year	24,360	-
Payable after one year	244,275	-
	<u>268,635</u>	<u>-</u>

The mortgage used to purchase 71-73 Lower Dock Street, is secured upon the properties 67-69 Lower Dock Street, Newport.

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	14	244,275	-
		<u>244,275</u>	<u>-</u>

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £2,991 (2019: £nil). The amount outstanding at the current and prior year end was £nil.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds

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

	Movement in funds		Movement in funds			
	Incoming resources	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£
Big Lottery Fund	-	-	216,975	(154,844)	(30,000)	32,131
Awards for All Wales	-	-	17,917	(2,500)	-	15,417
Newport City Council - Jesus Cares	-	-	5,000	(5,000)	-	-
Newport City Council - Property	-	-	229,064	(5,492)	-	223,572
Newport City Council - Minibus	-	-	4,750	(1,500)	-	3,250
Coronavirus Job Retention Scheme	-	-	47,301	(47,301)	-	-
	-	-	521,007	(216,637)	(30,000)	274,370

Big Lottery Fund- The restricted fund represents monies received for the charity to help fund its Jesus Cares Project. Within incoming resources were amounts transferred from the unincorporated charity totalling £8,303.

Awards for All Wales- The restricted fund represents a capital grant received to assist with the purchase of a minibus. The minibus was purchased in February 2019. The capital grant is being written off in line with the depreciation policy over the life of the asset. Within incoming resources were amounts transferred from the unincorporated charity totalling £7,917.

Newport City Council – Jesus Cares – The restricted fund represents monies received for the charity to help fund its Jesus Cares Project.

Newport City Council - Property - The restricted fund represents a capital grant received to assist with the refurbishment of the office premises. This grant is being written off in line with the depreciation policy over the life of the asset. Within incoming resources were amounts transferred from the unincorporated charity totalling £229,064.

Newport City Council - Minibus - The restricted fund represents a capital grant received to assist with the purchase of a minibus. The minibus was purchased in February 2019. The capital grant is being written off in line with the depreciation policy over the life of the asset. Within incoming resources were amounts transferred from the unincorporated charity totalling £4,750.

Coronavirus Job Retention Scheme - The restricted fund represents funds received to fund employee salary costs who were placed on furlough.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Designated funds

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

	Movement in funds		Transfers	Balance at 31 December 2020
	Incoming resources	Balance at January 2020		
	£	£	£	£
Fixed asset fund	-	-	807,820	807,820
	-	-	807,820	807,820

Fixed asset fund

This fund represents the net book value of the charity's unrestricted fixed assets.

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:					
Tangible assets	-	807,820	232,239	1,040,059	-
Current assets/(liabilities)	414,002	-	42,131	456,133	-
Long term liabilities	(244,275)	-	-	(244,275)	-
	169,727	807,820	274,370	1,251,917	-

20 Related party transactions

Rayla Ministries Limited is a private company, whose director and shareholder is Mr R Bevan, Founding Pastor of the Kings Church.

During the year the charity paid £4,200 (2019: £nil) in honorarium costs to Rayla Ministries Limited. Amounts outstanding at the year end totalled £nil (2019: £nil).

21 Donated goods for distribution

The charity receives donated food and goods from various sources all of which are distributed to its beneficiaries for a nil consideration.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22	Cash generated from operations	2020	2019
		£	£
	Surplus for the year	1,251,917	-
	Adjustments for:		
	Investment income recognised in statement of financial activities	(421)	-
	Depreciation and impairment of tangible fixed assets	32,117	-
	Movements in working capital:		
	(Increase) in debtors	(36,505)	-
	Increase in creditors	8,716	-
	Cash generated from/(absorbed by) operations	1,255,824	-
23	Analysis of changes in net funds	Transferred	Cash flows At 31 December 2020
		£	£
	Cash at bank and in hand	308,224	144,480
	Loans falling due within one year	(23,051)	(1,309)
	Loans falling due after more than one year	(270,208)	25,933
		14,965	169,104