

Charity Registration No. 1183216

KING'S CHURCH, NEWPORT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

KING'S CHURCH, NEWPORT

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KING'S CHURCH, NEWPORT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's 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 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.

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 2021

Achievements and performance

Achievements & Performance

Once again in 2021, COVID-19 and government restrictions put in place to help keep people safe has continued to impact all areas of church life (services, provisions and midweek activities). We have therefore continued to adapt many of our working practices throughout the year in line with the most up to date government guidelines.

Whilst we have not been able to operate as normal, we have been so encouraged to see the church continue to lean in to the Word of God, by attending Sunday Services or watching the service online, and throughout the second half year, as restrictions eased, it was wonderful to see more people attending in person services and provisions.

Ministry Update

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

Reach

The Great Commandment

Care & Support – Throughout the year, in the midst of ongoing COVID-19 restrictions, we have continued to offer care and support to our congregation members; prioritising face to face Sunday services as a means of care, support and instruction. For those not able to attend we have live streamed our services and made all teaching available online. Our Connect Groups, which have predominantly met online during 2021, have been a great source of care and support for those who wish to take part. In addition, we have continued to maintain telephone/written contact with church members who have not been able to return to services at this time.

For those who are new to church, we have kept regular contact and been able to invite them to get involved serving within Jesus Cares, and teams (as restrictions began to ease) and being a part of connect groups. In October we hosted a New to Church Lunch for those who have joined which was well attended by 67 newcomers and provided a further opportunity for us to let people know more about the church and how to get connected.

In addition, hospital visitations, individual pastoral sessions, as well as pre-marriage counselling have taken place on a regular basis.

Connect Groups – Connect groups normally form an integral part of reaching towards one another. Throughout the year with restrictions not enabling to meet in people's homes, we have continued to have groups meet online through Zoom and other online platforms using Sunday study notes to form the basis of discussion and encouragement during the calls. Throughout 2021, 138 adults and 12 children took part in online meetings that were hosted by 17 different groups. At the beginning of 2021 whilst national lockdown was in place, we saw between 70-93 people attending our bi-weekly online groups. As restrictions eased and people were able to meet together in person this figure began to decrease and by the end of the year in any given period, 45-58 people were meeting online every fortnight.

The Great Commission

Outreach – Each week a team of dedicated volunteers went onto the streets in various locations across Newport and Pontypool to share with people about Jesus and hand out bibles. 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 – Sadly, prisons have remained closed to visitors at this time due to COVID-19, therefore we have not been able to reach out and conduct services as normal.

Jesus Cares – Jesus Cares has continued to play a vital role in helping to provide practical relief and support to those living in poverty and deprivation across South Wales. Throughout the course of the year, we delivered food and other essential provisions to a network of over 99 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.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Our volunteers have continued to work well within 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.

This year we have provided volunteer opportunities for people from Probation Services, GAVO, Newport Council, in addition to members of the public. In 2021, we oversaw 108 volunteers (60 of which were new volunteers to Jesus Cares) who contributed over 13,829 volunteer hours.

In 2021 Jesus Cares distributed:

- 30,190 Food hampers
- 30,596 Nappies
- 18,346 Hygiene & sanitary products
- 887 Baby & children's clothing pods
- 187 Soft furnishings
- 579 Christmas presents

Community Minibus - Due to COVID-19 we have not been able to run our bus to help people on a Sunday or Youth on a Friday

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

- His Church Charity (working in refugee camps in Syria)
- Good News UK (distributing Bibles in our local area)
- Samaritans Purse UK (Operation Christmas Child – sending of Christmas gifts for children overseas. We also became a local drop off zone during their national collection week, and were involved in the collection of gifts from Southeast Wales to take to their distribution centre in Cardiff)

Renew

Sunday and Midweek Services –

Sunday services and midweek services provide a focal point for teaching our congregation. Throughout the year we have had the privilege of welcoming 424 adults and 136 children and young people to our Sunday Services. During this time, we had 111 adult visitors attend services for which 45 are still actively attending on Sundays.

From January to August, due to strict guidelines in place we continued to run two morning services each Sunday at 9:30am and 11:30am to ensure that there was sufficient capacity for people to attend services. During this time, we saw on average 175 people attend in person services each Sunday.

In August as restrictions began to ease, we were able to move back to one service at 10:30am on a Sunday, and we saw more people returning to in person services. During this time our average attendance on a Sunday began to build with an average of 219 people attending each Sunday service.

Throughout the year we have continued live streaming services via YouTube, enabling people to enjoy services as they happen, and we also offer a catch up on demand service via Facebook and YouTube with links being sent to our congregation each week. On average we are seeing 142 people watching our services via YouTube and 68 people watching via Facebook each week.

Children's & Youth Provisions – For the first half of the year we were not able to provide any children's or youth provisions for our family in order to comply with government guidelines. As restrictions eased, in June we were able to reopen our kid's provision during Sunday services for children from age 1 to 10. These have operated on a smaller scale and were adapted in order to follow government guidelines. During this time, we have had 81 children attend either our crèche/kids services with an average attendance of 27 children each week in those groups.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

In September we started meeting with our youth (Year 6-13) on a Friday and on Sundays twice a month. A total of 83 young people have engaged in our youth provisions since September, with an average attendance of 30 on a Friday and 22 on a Sunday.

Men & Women – Due to government restrictions we were not able to meet for most of the year, however, when restrictions relaxed we were able to host a Sisterhood evening in October attended by 35 women, and also a Men's Night in November attended by 48 men.

Alpha – We ran an online Alpha group from February to May and saw a number of new believers join the group in addition to those who wanted to find out more about faith.

Encounter Israel – starting in September we held a bimonthly meeting for our congregation teaching on the significance of Israel. These nights were well attended by 48 and 34 people respectively.

Prayer – Throughout the year, we have had teams of people praying for: the needs of our church congregation and others throughout the week, praying specifically for Israel, and meeting to pray before Sunday services.

Release

Volunteers – We had 123 people from our church congregation this year involved in serving within teams that meet the needs of people from all ages and stages of life from both within our church and also reach out to help our community practically.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The results of the charity can be seen below:

	Unrestricted	Restricted	Total 2021
Income	£218,829	£185,455	£404,284
Expenditure	(£173,075)	(£166,093)	(£339,168)
Transfers	£30,000	(£30,000)	-
Actual operational results	£75,754	(£10,638)	£65,116

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 £1,053,301 (2020: £977,547). The charity's free reserves available at the year end totaled £100,720 (2020: £169,727). 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.

Plans for future periods

Looking to the future, King's Church plans to continue activities that help us achieve our charitable objectives. We look forward to seeing COVID-19 restrictions ease further over 2022.

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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

KING'S CHURCH, NEWPORT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 B Marshall
Key management personnel	David Edwards - Lead Pastor Faye Edwards - Associate Lead Pastor and Jesus Cares Project Co-ordinator
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.


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Mr J W Wright - Trustee

Dated:3/4/22

KING'S CHURCH, NEWPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 which comprise the statement of financial activities, the balance sheet 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 2021 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 145 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

7-4-2022

**Chartered Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
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 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	217,755	-	217,755	1,079,095	250,034	1,329,129
Charitable activities	4	494	185,455	185,949	2,500	270,973	273,473
Other trading activities	5	-	-	-	4,922	-	4,922
Investments	6	580	-	580	421	-	421
Total income		218,829	185,455	404,284	1,086,938	521,007	1,607,945
Expenditure on:							
Charitable activities	7	173,075	166,093	339,168	139,391	216,637	356,028
Net incoming resources before transfers		45,754	19,362	65,116	947,547	304,370	1,251,917
Gross transfers between funds		30,000	(30,000)	-	30,000	(30,000)	-
Net income/(expenditure) for the year/ Net movement in funds		75,754	(10,638)	65,116	977,547	274,370	1,251,917
Fund balances at 1 January 2021		977,547	274,370	1,251,917	-	-	-
Fund balances at 31 December 2021		1,053,301	263,732	1,317,033	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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		1,015,328		1,040,059
Current assets					
Debtors	12	16,006		36,505	
Cash at bank and in hand		543,020		452,704	
		559,026		489,209	
Creditors: amounts falling due within one year	14	(40,276)		(33,076)	
Net current assets			518,750		456,133
Total assets less current liabilities			1,534,078		1,496,192
Creditors: amounts falling due after more than one year	15		(217,045)		(244,275)
Net assets			1,317,033		1,251,917
Income funds					
Restricted funds	17		263,732		274,370
<u>Unrestricted funds</u>					
Designated funds	18	952,581		807,820	
General unrestricted funds		100,720		169,727	
			1,053,301		977,547
			1,317,033		1,251,917

The financial statements were approved by the Trustees on 3/4/22



Mr J W Wright - Trustee

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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.

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

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 2021

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 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Donations and gifts	217,755	1,079,095	250,034	1,329,129
Donations and gifts				
Tithes and offerings	183,024	179,965	-	179,965
Gift aid	34,112	31,525	-	31,525
Donations	619	5,302	-	5,302
Legacy	-	15,000	-	15,000
Transfer from unincorporated charity to CIO	-	847,303	250,034	1,097,337
	217,755	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 2021

4 Charitable activities

	2021 £	2020 £
Grants	185,455	270,973
Events	494	2,244
Other income	-	256
	<u>185,949</u>	<u>273,473</u>

Analysis by fund		
Unrestricted funds	494	2,500
Restricted funds	185,455	270,973
	<u>185,949</u>	<u>273,473</u>

Grants		
Coronavirus Job Retention Scheme	25,176	47,301
Big Lottery Fund	160,279	208,672
Awards For All Wales	-	10,000
Newport City Council	-	5,000
	<u>185,455</u>	<u>270,973</u>

5 Other trading activities

	Total	Unrestricted funds
	2021 £	2020 £
Bookshop income	-	22
Rental income	-	4,900
	<u>-</u>	<u>4,922</u>
Other trading activities	-	4,922
	<u>-</u>	<u>4,922</u>

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	580	421

7 Charitable activities

	2021	2020
	£	£
Staff costs	120,749	122,212
Depreciation and impairment	33,460	32,117
Jesus Cares Project	57,555	90,339
Mission donations	5,400	5,100
Event costs	21,994	22,300
Premises costs	46,257	27,777
Administration costs	7,350	7,914
Advertising	-	112
	292,765	307,871
Share of support costs (see note 8)	40,169	42,457
Share of governance costs (see note 8)	6,234	5,700
	339,168	356,028
Analysis by fund		
Unrestricted funds	173,075	139,391
Restricted funds	166,093	216,637
	339,168	356,028

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	30,187	-	30,187	30,553	-	30,553
Bank & loan interest	9,246	-	9,246	10,628	-	10,628
Bank charges	736	-	736	1,276	-	1,276
Audit fees	-	6,234	6,234	-	5,700	5,700
	<u>40,169</u>	<u>6,234</u>	<u>46,403</u>	<u>42,457</u>	<u>5,700</u>	<u>48,157</u>
Analysed between Charitable activities	<u>40,169</u>	<u>6,234</u>	<u>46,403</u>	<u>42,457</u>	<u>5,700</u>	<u>48,157</u>

Governance costs includes payments to the auditors of £5,064 for audit fees and £1,170 for accountancy and taxation services (2020: £4,950 for audit fees and £750 for accountancy services).

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 £4,680 (2020: 3 trustees donated £5,780).

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>6</u>	<u>6</u>
Employment costs	2021 £	2020 £
Wages and salaries	133,816	141,771
Social security costs	11,644	8,003
Other pension costs	5,476	2,991
	<u>150,936</u>	<u>152,765</u>

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 £95,488 (2020: £100,755).

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				
At 1 January 2021	1,035,936	23,516	12,724	1,072,176
Additions	7,200	1,529	-	8,729
At 31 December 2021	1,043,136	25,045	12,724	1,080,905
Depreciation and impairment				
At 1 January 2021	24,251	3,848	4,018	32,117
Depreciation charged in the year	24,285	5,157	4,018	33,460
At 31 December 2021	48,536	9,005	8,036	65,577
Carrying amount				
At 31 December 2021	994,600	16,040	4,688	1,015,328
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 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,295,028.

Freehold land and buildings with a carrying amount of £994,600 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.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	225
Other debtors	9,845	30,275
Prepayments and accrued income	6,161	6,005
	<u>16,006</u>	<u>36,505</u>

13 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>242,851</u>	<u>268,635</u>
Payable within one year	25,806	24,360
Payable after one year	<u>217,045</u>	<u>244,275</u>

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

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	13	25,806	24,360
Trade creditors		2,873	313
Accruals and deferred income		11,597	8,403
		<u>40,276</u>	<u>33,076</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	<u>217,045</u>	<u>244,275</u>

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 £5,476 (2020: 2,991). 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 2021

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			Transfers	Balance at 1 January 2021	Movement in funds			Transfers	Balance at 31 December 2021
	Incoming resources	Resources expended	£	Incoming resources	Resources expended	£			Incoming resources	Resources expended	£		
Big Lottery Fund	216,975	(154,844)	(30,000)	32,131	160,279	(131,005)	(30,000)	31,405					
Awards for All Wales	17,917	(2,500)	-	15,417	-	(2,920)	-	12,497					
	5,000	(5,000)	-	-	-	-	-	-					
Newport City Council - Property	229,064	(5,492)	-	223,572	-	(5,492)	-	218,080					
Newport City Council - Minibus	4,750	(1,500)	-	3,250	-	(1,500)	-	1,750					
Coronavirus Job Retention Scheme	47,301	(47,301)	-	-	25,176	(25,176)	-	-					
	521,007	(216,637)	(30,000)	274,370	185,455	(166,093)	(30,000)	263,732					

Big Lottery Fund- The restricted fund represents monies received for the charity to help fund its Jesus Cares Project.

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.

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.

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.

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 2021

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:

	Balance at 1 January 2020	Transfers	Balance at 1 January 2021	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£
Fixed asset fund	-	807,820	807,820	(23,968)	8,729	792,581
Project fund	-	-	-	-	100,000	100,000
Facilities fund	-	-	-	-	60,000	60,000
	<u>-</u>	<u>807,820</u>	<u>807,820</u>	<u>(23,968)</u>	<u>168,729</u>	<u>952,581</u>

Fixed asset fund

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

Project fund

This fund represents funds designated for new projects and the sustainment of existing church activities.

Facilities fund

This fund represents funds designated for the maintenance/ improvement and long term sustainment of church properties.

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Analysis of net assets between funds

Fund balances at 31 December 2021 are represented by:

Tangible assets
Current assets/(liabilities)
Long term liabilities

	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£
	-		792,581		222,747		1,015,328		-		232,239		1,040,059	
	317,765		160,000		40,985		518,750		414,002		42,131		456,133	
	(217,045)		-		-		(217,045)		(244,275)		-		(244,275)	
	100,720		952,581		263,732		1,317,033		169,727		274,370		1,251,917	

KING'S CHURCH, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Related party transactions

There were no related party transactions to note for the current or prior year.

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.