

Charity registration number 1183216

**KING'S CHURCH, NEWPORT**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# KING'S CHURCH, NEWPORT

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# KING'S CHURCH, NEWPORT

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The trustees present their annual report and financial statements for the year ended 31 December 2022.

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 remains completely focussed through its principal activities to continue in its objectives to further the Christian Church in all of its activities and services.

#### 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.

#### 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.

# KING'S CHURCH, NEWPORT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Achievements and performance**

Once again in 2022, Covid-19 and government restrictions put in place to help keep people safe continued to have an impact on areas of church life. However, it was great to be able to reintroduce normal church activities as all eased in the second half of the year, and encourage our congregation members to participate in these activities.

#### **Ministry Update**

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

#### **Reach**

##### *The Great Commandment*

**Care & Support** – 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. We baptised 11 people and dedicated 3 children in 2022.

For those new to church, we kept in regular contact and were able to invite them to get involved serving within Jesus Cares, teams and become a part of connect groups.

Throughout the year we extended complimentary invitations to all newcomers to have lunch with our church family, which has provided a further opportunity for us to let people know more about the church and how to get connected. We hosted 3 church lunches in July, October and December and saw 128, 153 and 181 respectively in attendance come together for fellowship.

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

**Connect Groups** – We continued to encourage our church congregation to get involved within connect groups as they are an integral part of reaching towards one another. Many of the connect groups which had been meeting online during Covid, began meeting in homes from September 2022 and these are a great source of care and support for those who wish to take part. Throughout 2022, 109 people met across 13 connect groups which met both online and in homes for fellowship. We also ran 'The Marriage Course' online for which 68 people signed up to take part from our congregation.

##### *The Great Commission*

**Outreach** – Each week a dedicated team went onto the streets in various locations across Newport to share with people about Jesus and hand out bibles.

**Prison Ministry** – For the most part of 2022, prisons continued to remain closed to ministry visits as a result of Covid-19 restrictions. However, at the end of 2022 there was opportunity for us to attend 2 prisons to share the gospel, and we are expectant that more prisons will be able to receive ministry visits in 2023.

**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 123 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.

This year we had the privilege of working with 142 volunteers in Jesus Cares who contributed 11,643 volunteer hours to the project.



# KING'S CHURCH, NEWPORT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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In 2022 Jesus Cares distributed:

- 34,182 Food hampers
- 44,715 Nappies
- 23,608 Hygiene & sanitary products
- 795 Baby & children's clothing pods
- 227 Soft furnishings
- 558 Christmas presents
- 6,320 Easter Eggs

**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.

- 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).
- We also worked with a church in Romania who were helping refugees fleeing the Ukraine due to war; sending over a consignment of food, sleeping bags and warm clothing.

#### **Renew**

##### **Sunday Services**

Sunday services are the focal point for teaching our congregation. As lockdown restrictions continued to ease, we welcomed back more of our congregation and by the end of the year we saw on average 225 people in each service. During 2022, 76 new people gave us their details for which 58 are still actively attending on Sundays.

Throughout the year we continued live streaming services via YouTube, enabling people to enjoy services as they happen if they are unable to attend in person 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 125 people watching our services via YouTube and 54 people watching via Facebook each week.

**Children's & Youth Provisions** – We welcomed 91 children in King's Kids (Age 1 to Yr 5) and by the end of the year we saw an average attendance of 31 children each week in these groups.

Our youth (Years 6-13) met on Fridays and Sundays twice a month until September and then Friday night youth went back to meeting weekly. A total of 64 young people engaged in our Friday night youth provision and 71 on a Sunday throughout the year, with an average attendance of 16 on a Friday and 21 on a Sunday.

**Men & Women** – We held a Men's curry night, two Sisterhood evenings, 4 day trips for our over 55's ladies to enjoy and an evening for our singles to come together.

**Encounter Israel** – We held bi-monthly midweek meetings throughout 2022, with teaching focussed around Israel. These nights were well attended by our congregation with over 40 people in attendance each night.

**Prayer** – There were opportunities to meet to pray for the needs of our congregation and others. We have a team who pray individually throughout the week as well as a prayer meeting before our Sunday service. On a monthly basis we met for corporate prayer in the evening and also a group prays specifically for Israel.

#### **Release**

**Volunteers** – We had 149 people from our church congregation faithfully serving within teams, both on a Sunday and during the week to help meet the needs of our church family and also our community.

# KING'S CHURCH, NEWPORT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### Financial review

The results of the charity can be seen below:

	Unrestricted	Restricted	Total 2022
Income	£242,147	£341,184	£583,331
Expenditure	(£196,395)	(£162,945)	(£359,340)
Transfers	£31,750	(£31,750)	-
Actual operational results	£77,502	£146,489	£223,991

#### 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 £1,130,803 (2021: £1,053,300). The charity's free reserves available at the year end totaled £101,768 (2021: £100,720).

#### 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.

# KING'S CHURCH, NEWPORT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **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)

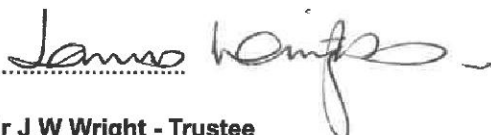
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### 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: 20/6/2023

# **KING'S CHURCH, NEWPORT**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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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

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#### Opinion

We have audited the financial statements of King's Church, Newport (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 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.

#### 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.



# KING'S CHURCH, NEWPORT

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

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### **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.

### **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.

# KING'S CHURCH, NEWPORT

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

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### 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.

### 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*

**Azets Audit Services**

**Chartered Accountants  
Statutory Auditor**

*17 August 2023*

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 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 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income and endowments from:</b>							
Donations and legacies	3	217,773	-	217,773	217,755	-	217,755
Charitable activities	4	6,348	341,184	347,532	494	185,455	185,949
Investments	5	493	-	493	580	-	580
Other income	6	17,533	-	17,533	-	-	-
<b>Total income</b>		<b>242,147</b>	<b>341,184</b>	<b>583,331</b>	<b>218,829</b>	<b>185,455</b>	<b>404,284</b>
<b>Expenditure on:</b>							
Charitable activities	7	196,395	162,945	359,340	173,075	166,093	339,168
<b>Net incoming resources before transfers</b>		<b>45,752</b>	<b>178,239</b>	<b>223,991</b>	<b>45,754</b>	<b>19,362</b>	<b>65,116</b>
Gross transfers between funds		31,750	(31,750)	-	30,000	(30,000)	-
<b>Net income for the year/ Net movement in funds</b>		<b>77,502</b>	<b>146,489</b>	<b>223,991</b>	<b>75,754</b>	<b>(10,638)</b>	<b>65,116</b>
Fund balances at 1 January 2022		1,053,301	263,732	1,317,033	977,547	274,370	1,251,917
<b>Fund balances at 31 December 2022</b>		<b>1,130,803</b>	<b>410,221</b>	<b>1,541,024</b>	<b>1,053,301</b>	<b>263,732</b>	<b>1,317,033</b>

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 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	11		999,710		1,015,328
<b>Current assets</b>					
Debtors	12	15,022		16,006	
Cash at bank and in hand		536,931		543,020	
		551,953		559,026	
<b>Creditors: amounts falling due within one year</b>	13	(10,639)		(40,276)	
Net current assets			541,314		518,750
<b>Total assets less current liabilities</b>			1,541,024		1,534,078
<b>Creditors: amounts falling due after more than one year</b>	14		-		(217,045)
<b>Net assets</b>			1,541,024		1,317,033
<b>Income funds</b>					
Restricted funds	17		410,221		263,732
<u>Unrestricted funds</u>					
Designated funds	18	1,029,035		952,581	
General unrestricted funds		101,768		100,720	
			1,130,803		1,053,301
			1,541,024		1,317,033

The financial statements were approved by the Trustees on 20/6/2023



Mr J W Wright - Trustee

# KING'S CHURCH, NEWPORT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		235,764		124,249
<b>Investing activities</b>					
Purchase of tangible fixed assets		(19,595)		(8,729)	
Proceeds on disposal of tangible fixed assets		20,100		-	
Investment income received		493		580	
<b>Net cash generated from/(used in) investing activities</b>			998		(8,149)
<b>Financing activities</b>					
Repayment of bank loans		(242,851)		(25,784)	
<b>Net cash used in financing activities</b>			(242,851)		(25,784)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(6,089)		90,316
Cash and cash equivalents at beginning of year			543,020		452,704
<b>Cash and cash equivalents at end of year</b>			536,931		543,020

# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 2022

### 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.

In accordance with transitional arrangements of FRS 102, the charity have elected to use fair value as deemed cost of freehold properties on the date of transition to FRS 102.

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 the statement of financial activities.

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 2022

### 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.

##### **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.

# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### ***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 costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	217,773	217,755
	<u>          </u>	<u>          </u>
<b>Donations and gifts</b>		
Tithes and offerings	187,547	183,024
Gift aid	30,136	34,112
Donations	90	619
	<u>          </u>	<u>          </u>
	217,773	217,755
	<u>          </u>	<u>          </u>

# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Donations and legacies (Continued)

### 4 Charitable activities

	2022 £	2021 £
Grants	341,184	185,455
Events	6,348	494
	<u>347,532</u>	<u>185,949</u>
Analysis by fund		
Unrestricted funds	6,348	494
Restricted funds	<u>341,184</u>	<u>185,455</u>
	<u>347,532</u>	<u>185,949</u>
<b>Grants</b>		
Coronavirus Job Retention Scheme	-	25,176
Big Lottery Fund	141,184	160,279
Moondance	<u>200,000</u>	<u>-</u>
	<u>341,184</u>	<u>185,455</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	<u>493</u>	<u>580</u>

### 6 Other income

	Unrestricted funds	Total
	2022 £	2021 £
Net gain on disposal of tangible fixed assets	<u>17,533</u>	<u>-</u>



# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Charitable activities

	2022 £	2021 £
Staff costs	122,213	120,749
Depreciation and impairment	32,645	33,460
Jesus Cares Project	62,520	57,555
Mission donations	1,800	5,400
Event costs	23,313	21,994
Premises costs	62,408	46,257
Administration costs	7,139	7,350
	<u>312,038</u>	<u>292,765</u>
Share of support costs (see note 8)	41,434	40,169
Share of governance costs (see note 8)	5,868	6,234
	<u>359,340</u>	<u>339,168</u>
<b>Analysis by fund</b>		
Unrestricted funds	196,395	173,075
Restricted funds	162,945	166,093
	<u>359,340</u>	<u>339,168</u>

### 8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	30,553	-	30,553	30,187	30,187
Bank & loan interest	10,317	-	10,317	9,246	9,246
Bank charges	564	-	564	736	736
Audit fees	-	5,868	5,868	-	6,234
	<u>41,434</u>	<u>5,868</u>	<u>47,302</u>	<u>40,169</u>	<u>46,403</u>
Analysed between Charitable activities	<u>41,434</u>	<u>5,868</u>	<u>47,302</u>	<u>40,169</u>	<u>46,403</u>

Governance costs includes payments to the auditors of £4,698 for audit fees and £1,170 for accountancy and taxation services (2021: £5,064 for audit fees and £1,170 for accountancy and taxation services).

# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 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 (2021: 3 trustees donated £4,680).

### 10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	5	6
	<u>5</u>	<u>6</u>
<b>Employment costs</b>	<b>2022</b>	<b>2021</b>
	£	£
Wages and salaries	133,900	133,816
Social security costs	7,859	11,644
Other pension costs	11,007	5,476
	<u>152,766</u>	<u>150,936</u>

# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 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 £97,371 (2021: £95,488 ).

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
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2022	1,043,136	25,044	12,724	1,080,904
Additions	-	-	19,595	19,595
Disposals	-	-	(12,724)	(12,724)
At 31 December 2022	1,043,136	25,044	19,595	1,087,775
<b>Depreciation and impairment</b>				
At 1 January 2022	48,536	9,005	8,036	65,577
Depreciation charged in the year	24,395	4,905	3,345	32,645
Eliminated in respect of disposals	-	-	(10,157)	(10,157)
At 31 December 2022	72,931	13,910	1,224	88,065
<b>Carrying amount</b>				
At 31 December 2022	970,205	11,134	18,371	999,710
At 31 December 2021	994,600	16,040	4,688	1,015,328

Land buildings were revalued at 30 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.

The valuation was deemed by the Trustees as still being reasonable at transition to FRS102 on 1 January 2015 and was used as deemed cost on transition.

In the prior year freehold land and buildings were pledged to secure borrowings of the charity. During the year ended 31 December 2022 the borrowings were repaid in full.

# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other debtors	8,860	9,845
Prepayments and accrued income	6,162	6,161
	<u>15,022</u>	<u>16,006</u>

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

	Notes	2022 £	2021 £
Bank loans	15	-	25,806
Trade creditors		539	2,873
Accruals and deferred income		10,100	11,597
		<u>10,639</u>	<u>40,276</u>

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

	Notes	2022 £	2021 £
Bank loans	15	-	217,045

### 15 Loans and overdrafts

	2022 £	2021 £
Bank loans	-	242,851
Payable within one year	-	25,806
Payable after one year	-	217,045

### 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 £11,007 (2021: £5,476). 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 2022

### 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:

	Balance at 1 January 2021	Movement in funds			Transfers 1 January 2022	Balance at 1 January 2022	Movement in funds			Transfers	Balance at 31 December 2022
		£	Incoming resources	Resources expended			£	Incoming resources	Resources expended		
Big Lottery Fund	32,131		160,279	(131,005)	(30,000)	31,405		141,184	(123,090)	(30,000)	19,499
Awards for All Wales	15,417		-	(2,920)	-	12,497		-	(1,003)	-	11,494
Moondance	-		-	-	-	-		200,000	(33,360)	-	166,640
Newport City Council - Property	223,572		-	(5,492)	-	218,080		-	(5,492)	-	212,588
Newport City Council - Minibus	3,250		-	(1,500)	-	1,750		-	-	(1,750)	-
Coronavirus Job Retention Scheme	-		25,176	(25,176)	-	-		-	-	-	-
	274,370		185,455	(166,093)	(30,000)	263,732		341,184	(162,945)	(31,750)	410,221

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

**Moondance** - The restricted fund represents monies received for the charity to help fund its Jesus Cares Project.

**Big Lottery Fund** - In accordance with the terms and conditions of the grant, each year £30k is transferred from restricted funds to unrestricted funds to cover overhead costs.

**Newport City Property** - The restricted fund represents monies received for the charity to purchase the property at Lower Dock Street.

**Newport City Council Minibus** - Each year the depreciation is transferred from restricted funds to unrestricted funds.

**Coronavirus Job Retention Scheme** - The restricted fund represents funding received through the Job Retention Scheme to help support the charity during the Covid-19 pandemic.

**Transfers** - Transfers from restricted funds to unrestricted funds are for support from project towards overheads in line with grant agreements.

**KING'S CHURCH, NEWPORT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**17 Restricted funds**

**(Continued)**

# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 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 2021	Resources expended	Transfers	Balance at 1 January 2022	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£	£
Fixed asset fund	807,820	(23,968)	8,729	792,581	(23,546)	-	769,035
Project fund	-	-	100,000	100,000	-	-	100,000
Facilities fund	-	-	60,000	60,000	-	100,000	160,000
	<u>807,820</u>	<u>(23,968)</u>	<u>168,729</u>	<u>952,581</u>	<u>(23,546)</u>	<u>100,000</u>	<u>1,029,035</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 2022

### 19 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

Tangible assets  
Current assets/(liabilities)  
Long term liabilities

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
	-	769,035	230,675	999,710	-	792,581	222,747	1,015,328
	101,768	260,000	179,546	541,314	317,765	160,000	40,985	518,750
	-	-	-	-	(217,045)	-	-	(217,045)
	101,768	1,029,035	410,221	1,541,024	100,720	952,581	263,732	1,317,033



# KING'S CHURCH, NEWPORT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 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.

22 Cash generated from operations	2022 £	2021 £
Surplus for the year	223,991	65,116
Adjustments for:		
Investment income recognised in statement of financial activities	(493)	(580)
Gain on disposal of tangible fixed assets	(17,533)	-
Depreciation and impairment of tangible fixed assets	32,643	33,460
Movements in working capital:		
Decrease in debtors	987	20,499
(Decrease)/increase in creditors	(3,831)	5,754
<b>Cash generated from operations</b>	<b>235,764</b>	<b>124,249</b>

### 23 Analysis of changes in net funds

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	543,020	(6,089)	536,931
Loans falling due within one year	(25,806)	25,806	-
Loans falling due after more than one year	(217,045)	217,045	-
	<u>300,169</u>	<u>236,762</u>	<u>536,931</u>