
KINGDOM FAITH CHURCH

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

KINGDOM FAITH CHURCH

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KINGDOM FAITH CHURCH

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

Mr. Jeremy Blake
Mr. Simon Coles
Mr. Jonathan Croft
Mr. Jon Elliott
Mr. Clive Urquhart
Mr. Bengt Wedemalm (deceased 28 April 2021)
Sophie Coppeard (appointed 22 November 2021)

Charity registered number

278746

Principal office

Foundry Lane
Horsham
West Sussex
RH13 5PX

Independent auditors

Baldwin Scofield Ltd
Chartered Accountants
Statutory auditors
3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU

Bankers

National Westminster Bank plc
16 The Boulevard
Crawley
West Sussex
RH10 1GL

Solicitors

PDT Solicitors
36 - 48 Queen Street
Horsham
West Sussex
RH13 5AD

KINGDOM FAITH CHURCH

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Kingdom Faith Church for the 1 January 2021 to 31 December 2021.

Objectives and activities

● Policies and objectives

The principal object of the Trust is the advancement of the Christian Faith.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

● Review of activities

As the Corona virus continued to restrict in person services and other activities we continued into 2021 with live streaming and Zoom meetings into congregation homes. All relevant Covid guidelines and protocols during the changing landscape in 2021 were followed.

Jan 2021 started with 21 days of prayer and fasting, incorporating Encounter nights and prayer meetings online and then families in their own homes gathering for Prayer and communion on Friday evenings.

During this time we ran Alpha and Bereavement courses online and many of our Small Groups met on Zoom.

During 2021 we continued church activities online until mid-May when Covid guidelines eased and enabled us to provide "Covid safe" in person services. This was staggered start for our 4 local congregations through the summer whilst still adhering to the covid guidelines.

From September our Congregations in Burgess Hill and Worthing began to meet bi-weekly in their homes and the other weeks in their respective buildings.

We continued to live stream from our Horsham congregation every week, which helps to support Church in the Home, Partnering churches and those who live further away and want to connect in on Sundays and Wednesday night Encounters.

The relationships with our partnering church leaders continued to grow and develop through our bi weekly Zoom calls during the Covid restrictions. These then moved to once a month from September 21 as restrictions eased and Churches own activities began to increase.

Our individual Partners have continued to be faithful supporters in terms of prayer, attendance and financial giving. Due to our services and prayer meetings going online that has enabled many others across the UK, Europe and other parts of the World to connect into Kingdom Faith.

The Child Contact Centre continued to operate every other Saturday allowing a separated parent to see their child in a safe and friendly environment until end of March. This was re-introduced as in person covid safe sessions once restrictions allowed.

KINGDOM FAITH CHURCH

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

- **Reserves policy**

The Trustees have a reserve policy of £100,000 to be held in cash, to help smooth out cash flow timings. At year end this was being met and cash at year end was £178,470 which is an increase on 2020.

- **Results**

The current period produced a total surplus of £202,226. This was after non-cash depreciation charge of £6,820.

We expect that going forward we will run a general budget surplus.

- **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to major risks. These assessments are subject to ongoing review and monitoring.

Structure, governance and management

- **Constitution**

Kingdom Faith Church is a registered charity, number 278746, and is constituted under a Trust deed dated 21 September 1979. The Trustees were incorporated as a body on 4 May 2006 in the name "The incorporated Trustees of Kingdom Faith Church".

- **Methods of appointment or election of Trustees**

Under the terms of the revised trust deed dated 27 April 2009, the Trustees are authorised to appoint new Trustees provided they are approved by the executive team of Kingdom Faith Church as defined in clause 5.8.1 of that deed.

New Trustees are appointed on the basis of their expertise and involvement in furthering the objects of the charity.

- **Organisational structure and decision-making policies**

The governing body of Kingdom Faith Church is the Trustees who are legally responsible for the governance and management of the Trust, working in close consultation with the Executive team of Kingdom Faith Church.

The Trustees are responsible for setting strategies and policies and for ensuring that these are implemented. Authority to conduct the day to day operations of Kingdom Faith Church is delegated by the Trustees to the Executive Team. The Executive Team are responsible for the implementation of the policies and strategies on behalf of the Trustees.

KINGDOM FAITH CHURCH

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

- **Policies adopted for the induction and training of Trustees**

The Trustee induction process is considered sufficient at this time. New Trustees are briefed by the Executive team and are provided with the accounts of the Trust, a copy of the trust deed and an explanation of the history of the Trust.

- **Related party relationships**

The Trust has connections with Lamplugh House Trust up until its closure in November 2016, the incorporated charity, The Way of the Spirit and Kingdom Faith South West Trust.

New charities were established for Kingdom Faith London and Kingdom Faith Yorkshire and with effect from 1 September 2009, the activities and accumulated funds were transferred to those charities.

- **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The plans for the Trust in the year ahead were set out during the Kingdom Faith vision Sunday held in person January 9th 2022, the recording of which is available on the Church website.

At the time of writing Turning Tides which are a non-connected Christian Charity based in Worthing, have been given change of use Planning permission by Horsham District council on 4/10/22 to use Roffey Place as a homeless residential support centre.

Turning Tides will be leasing the building on a 5 year lease with a 3 year break clause. This is expected to be signed by end of October 22. During this lease period we are looking at various options for sale and disposal of Roffey Place with planning. Our medium term plans are to consolidate from the 2 current facilities we own to a new facility as part of the North Horsham development (Mowbray).

KINGDOM FAITH CHURCH

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' responsibilities

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 & 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Baldwin Scofield Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 19 October 2022 and signed on their behalf by:

Mr. Clive Urquhart

KINGDOM FAITH CHURCH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINGDOM FAITH CHURCH

Opinion

We have audited the financial statements of Kingdom Faith Church (the 'charity') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

KINGDOM FAITH CHURCH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINGDOM FAITH CHURCH (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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, except to the extent otherwise explicitly stated in our report, 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

KINGDOM FAITH CHURCH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINGDOM FAITH CHURCH (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable trust and determined that the most significant are those that relate to the reporting framework in conformity with the requirements of the Charities Act 2011 and the relevant direct and indirect tax compliance regulations in the United Kingdom.

We understood how Kingdom Faith Church is complying with those frameworks by making enquiries of management to understand how the charity maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the risk of management override to be a fraud risk. In addition, we considered the risk of management override by sampling from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria and investigated these to gain an understanding and then agree back to source documentation.

Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions were recorded in compliance with Financial Reporting Standards and the Charities SORP in conformity with the requirements of the Charities Act 2011.

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

KINGDOM FAITH CHURCH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINGDOM FAITH CHURCH (CONTINUED)

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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Baldwin Scofield Ltd

Chartered Accountants
Statutory auditors
3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU

19 October 2022

Baldwin Scofield Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

KINGDOM FAITH CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	8,000	168,007	176,007	197,300
Charitable activities	4	37,024	1,003,854	1,040,878	984,911
Other trading activities	5	-	6,973	6,973	8,709
Total income		45,024	1,178,834	1,223,858	1,190,920
Expenditure on:					
Raising funds		-	10,234	10,234	4,502
Charitable activities	7	39,929	1,001,559	1,041,488	1,056,424
Total expenditure		39,929	1,011,793	1,051,722	1,060,926
Net income		5,095	167,041	172,136	129,994
Transfers between funds	17	(56,305)	56,305	-	-
Net movement in funds before other recognised gains		(51,210)	223,346	172,136	129,994
Other recognised gains:					
Gains on revaluation of fixed assets		-	30,090	30,090	-
Net movement in funds		(51,210)	253,436	202,226	129,994
Reconciliation of funds:					
Total funds brought forward		70,871	2,591,017	2,661,888	2,531,894
Net movement in funds		(51,210)	253,436	202,226	129,994
Total funds carried forward		19,661	2,844,453	2,864,114	2,661,888

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

The notes on pages 13 to 29 form part of these financial statements.

KINGDOM FAITH CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	2,714,573	2,691,466
Current assets			
Stocks	13	5,002	12,299
Debtors	14	23,585	20,811
Cash at bank and in hand		178,470	55,108
		<u>207,057</u>	<u>88,218</u>
Creditors: amounts falling due within one year	15	(57,516)	(117,796)
Net current assets / liabilities		<u>149,541</u>	<u>(29,578)</u>
Total assets less current liabilities		<u>2,864,114</u>	<u>2,661,888</u>
Total net assets		<u><u>2,864,114</u></u>	<u><u>2,661,888</u></u>
Charity funds			
Restricted funds	17	19,661	70,871
Unrestricted funds	17	2,844,453	2,591,017
Total funds		<u><u>2,864,114</u></u>	<u><u>2,661,888</u></u>

The financial statements were approved and authorised for issue by the Trustees on 19 October 2022 and signed on their behalf by:

Mr. Simon Coles

The notes on pages 13 to 29 form part of these financial statements.

KINGDOM FAITH CHURCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	122,555	25,943
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	30,951	-
Purchase of tangible fixed assets	(30,787)	(4,639)
Net cash provided by/(used in) investing activities	164	(4,639)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	122,719	21,304
Cash and cash equivalents at the beginning of the year	52,915	31,611
Cash and cash equivalents at the end of the year	175,634	52,915

The notes on pages 13 to 29 form part of these financial statements

KINGDOM FAITH CHURCH

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

1. General information

Kingdom Faith Church is a registered charity, number 278746, and is constituted under a Trust deed dated 21 September 1979. The Trustees were incorporated as a body on 4 May 2006 in the name "The incorporated Trustees of Kingdom Faith Church".

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Kingdom Faith Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

KINGDOM FAITH CHURCH

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

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Not depreciated
Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

2.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

KINGDOM FAITH CHURCH

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

2. Accounting policies (continued)

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Grants	8,000	168,007	176,007

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Grants	2,670	194,630	197,300

KINGDOM FAITH CHURCH

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

4. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Income from charitable activities - Revival College	-	-	-
Income from charitable activities - Kingdom Faith Church	7,750	859,694	867,444
Income from charitable activities - Ministry	29,274	144,160	173,434
	<u>37,024</u>	<u>1,003,854</u>	<u>1,040,878</u>
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Income from charitable activities - Revival College	-	52,525	52,525
Income from charitable activities - Kingdom Faith Church	7,645	727,864	735,509
Income from charitable activities - Ministry	10,426	186,451	196,877
	<u>18,071</u>	<u>966,840</u>	<u>984,911</u>

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Trading income	<u>6,973</u>	<u>6,973</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Trading income	<u>8,709</u>	<u>8,709</u>

KINGDOM FAITH CHURCH

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

6. Analysis of grants

	Grants to Institutions 2021 £	Grants to Individuals 2021 £	Total funds 2021 £
Grants, Kingdom Faith Church	-	2,039	2,039
Grants, Ministry	47,840	40,105	87,945
	<u>47,840</u>	<u>42,144</u>	<u>89,984</u>
	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total funds 2020 £
Grants, Kingdom Faith Church	-	800	800
Grants, Ministry	36,125	36,200	72,325
	<u>36,125</u>	<u>37,000</u>	<u>73,125</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total 2021 £
Revival College	-	(2,058)	(2,058)
Kingdom Faith Church	4,618	796,496	801,114
Ministry	35,311	207,121	242,432
	<u>39,929</u>	<u>1,001,559</u>	<u>1,041,488</u>

KINGDOM FAITH CHURCH

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

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total 2020 £</i>
Revival College	851	17,371	18,222
Kingdom Faith Church	2,938	770,210	773,148
Ministry	40,413	224,641	265,054
	<u>44,202</u>	<u>1,012,222</u>	<u>1,056,424</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Revival College	(2,058)	-	-	(2,058)
Kingdom Faith Church	799,075	2,039	-	801,114
Ministry	83,335	87,945	71,152	242,432
	<u>880,352</u>	<u>89,984</u>	<u>71,152</u>	<u>1,041,488</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Grant funding of activities 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Revival College	18,222	-	-	18,222
Kingdom Faith Church	772,347	800	-	773,147
Ministry	129,388	72,325	63,342	265,055
	<u>919,957</u>	<u>73,125</u>	<u>63,342</u>	<u>1,056,424</u>

KINGDOM FAITH CHURCH

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Revival College 2021 £	Kingdon Faith Church 2021 £	Ministry 2021 £	Total funds 2021 £
Staff costs	-	711,017	-	711,017
Depreciation	-	-	6,820	6,820
Telephone	-	-	16,926	16,926
Administration	-	17,087	-	17,087
Premises repairs and renewals	-	40,285	(12,903)	27,382
Motor and travel	-	-	12,252	12,252
Printing, postage and stationery	-	-	5,757	5,757
Ministry costs	-	7,813	-	7,813
Computer expenses	-	-	24,420	24,420
Finance and interest charges	-	-	286	286
Utilities	-	-	28,730	28,730
Housekeeping	-	-	1,047	1,047
Catering and team costs	-	6,664	-	6,664
Venue costs	-	16,209	-	16,209
Bad debts	(2,058)	-	-	(2,058)
	<u>(2,058)</u>	<u>799,075</u>	<u>83,335</u>	<u>880,352</u>

KINGDOM FAITH CHURCH

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Revival College 2020 £</i>	<i>Kingdom Faith Church 2020 £</i>	<i>Ministry 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	-	741,929	-	741,929
Depreciation	-	-	4,523	4,523
Telephone	-	-	12,734	12,734
Administration	4,350	4,379	-	8,729
Premises repairs and renewals	-	7,926	15,706	23,632
Motor and travel	-	-	28,851	28,851
Printing, postage and stationery	-	16	6,669	6,685
Ministry costs	-	9,359	-	9,359
Computer expenses	-	-	13,696	13,696
Finance and interest charges	-	-	1,827	1,827
Utilities	-	-	42,764	42,764
Housekeeping	-	-	2,618	2,618
Catering and team costs	19,444	1,122	-	20,566
Venue costs	-	7,617	-	7,617
Bad debts	(5,572)	-	-	(5,572)
	<u>18,222</u>	<u>772,348</u>	<u>129,388</u>	<u>919,958</u>

Analysis of support costs

	Ministry 2021 £	Total funds 2021 £
Insurance	18,848	18,848
Legal and professional	40,281	40,281
Administration	3,048	3,048
Bank charges	4,175	4,175
Audit fee	4,800	4,800
	<u>71,152</u>	<u>71,152</u>

KINGDOM FAITH CHURCH

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Ministry 2020 £</i>	<i>Total funds 2020 £</i>
Insurance	18,133	18,133
Legal and professional	28,834	28,834
Administration	6,046	6,046
Bank charges	5,529	5,529
Audit fee	4,800	4,800
	<u>63,342</u>	<u>63,342</u>

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>4,800</u>	<u>4,800</u>

10. Staff costs

	2021 £	2020 £
Wages and salaries	628,798	656,444
Social security costs	44,776	47,167
Contribution to defined contribution pension schemes	37,443	38,318
	<u>711,017</u>	<u>741,929</u>

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Administrative and ministry	<u>24</u>	<u>29</u>

KINGDOM FAITH CHURCH

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

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	2	1

Two trustees are included in the salary banding above. The Senior Pastor, his wife and son are all remunerated as employees of the church. The total remuneration and benefits package of all of them in aggregate are included in the totals disclosed in note 11 below.

11. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity. The remunerated Trustees are employed as the Senior Pastor and Executive Pastor as permitted under clause 8 of the charity trust deed. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Mr. Simon Coles	Remuneration	76,651	81,200
	Pension contributions paid	5,234	5,488
	Other benefits	5,533	-
Mr. Clive Urquhart	Remuneration including close family members	79,251	75,800
	Pension contributions paid	5,666	5,142
	Other benefits	5,327	-

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2021	2,683,000	268,733	42,093	43,561	3,037,387
Additions	-	30,787	-	-	30,787
Disposals	-	(182,966)	(29,145)	(3,951)	(216,062)
At 31 December 2021	2,683,000	116,554	12,948	39,610	2,852,112

KINGDOM FAITH CHURCH

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

12. Tangible fixed assets (continued)

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Depreciation					
At 1 January 2021	-	260,918	42,093	42,910	345,921
Charge for the year	-	6,508	-	312	6,820
On disposals	-	(182,106)	(29,145)	(3,951)	(215,202)
At 31 December 2021	-	85,320	12,948	39,271	137,539
Net book value					
At 31 December 2021	2,683,000	31,234	-	339	2,714,573
At 31 December 2020	2,683,000	7,815	-	651	2,691,466

The freehold land and buildings comprising Roffey Place, Horsham and National Revival Centre, Foundry Lane, Horsham were valued by Mr Daniel Berrisford for and on behalf of Ibbett Mosely Consultants LLP on 9 July 2010.

The properties have been valued at market value net of purchases cost of the freehold with vacant possession. The trustees are of the opinion that the valuation at the balance sheet date is not materially different to the value at the date of the valuation report.

The carrying amount under the cost model of the assets which have been revalued would have been £2,448,482 (2020 - £2,448,482).

13. Stocks

	2021 £	2020 £
Raw materials and consumables	5,002	12,299

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	-	708
Prepayments and accrued income	23,585	20,103
	23,585	20,811

KINGDOM FAITH CHURCH

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

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts and credit cards	2,836	2,193
Trade creditors	6,687	12,544
Other taxation and social security	11,814	78,036
Pension fund contributions payable	5,879	5,223
Other creditors	25,500	-
Accruals and deferred income	4,800	19,800
	<u>57,516</u>	<u>117,796</u>

16. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>178,470</u>	<u>55,108</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

KINGDOM FAITH CHURCH

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

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General fund	2,356,499	1,178,834	(1,011,793)	56,305	30,090	2,609,935
Revaluation fund	234,518	-	-	-	-	234,518
	<u>2,591,017</u>	<u>1,178,834</u>	<u>(1,011,793)</u>	<u>56,305</u>	<u>30,090</u>	<u>2,844,453</u>
Restricted funds						
Child contact centre fund	9,036	35,924	(32,262)	-	-	12,698
Storehouse fund	1,616	850	(2,253)	-	-	213
Foyer refurbishment fund	58,686	-	-	(58,686)	-	-
Mission fund	1,250	-	(1,250)	-	-	-
Israel fund	283	1,500	(4,164)	2,381	-	-
New building fund	-	6,750	-	-	-	6,750
	<u>70,871</u>	<u>45,024</u>	<u>(39,929)</u>	<u>(56,305)</u>	<u>-</u>	<u>19,661</u>
Total of funds	<u><u>2,661,888</u></u>	<u><u>1,223,858</u></u>	<u><u>(1,051,722)</u></u>	<u><u>-</u></u>	<u><u>30,090</u></u>	<u><u>2,864,114</u></u>

KINGDOM FAITH CHURCH

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

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
General fund	2,203,601	1,170,179	(1,016,725)	(556)	2,356,499
Revaluation fund	234,518	-	-	-	234,518
	<u>2,438,119</u>	<u>1,170,179</u>	<u>(1,016,725)</u>	<u>(556)</u>	<u>2,591,017</u>
Restricted funds					
Building refresh fund	4,409	-	(4,965)	556	-
Child contact centre fund	11,224	17,522	(19,710)	-	9,036
Storehouse fund	2,266	1,625	(2,275)	-	1,616
Foyer refurbishment fund	58,686	-	-	-	58,686
Play area fund	940	-	(940)	-	-
Israel No2 fund	15,000	-	(15,000)	-	-
Mission fund	1,250	-	-	-	1,250
Jerusalem Prayer Breakfast	1	-	(1)	-	-
Israel fund	-	1,594	(1,311)	-	283
	<u>93,776</u>	<u>20,741</u>	<u>(44,202)</u>	<u>556</u>	<u>70,871</u>
Total of funds	<u>2,531,895</u>	<u>1,190,920</u>	<u>(1,060,927)</u>	<u>-</u>	<u>2,661,888</u>

KINGDOM FAITH CHURCH

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

17. Statement of funds (continued)

Restricted funds

The building refresh fund is for the building maintenance and improvement project in 2017 at the Foundry Lane premises.

The Israel, Storehouse, mission and church gift funds represent funds raised and spent on ministry projects of the church.

The balance on the Foyer refurbishment fund has been transferred as the capital expenditure to which it relates has been included in the value of the property.

The play area fund is to cover the costs of further improvements.

The child contact centre fund receives donations and uses the funds raised for running the project.

The new building fund represents funds raised for the purpose of acquiring a new building in the future.

18. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
General funds	2,591,017	1,178,834	(1,011,793)	56,305	30,090	2,844,453
Restricted funds	70,871	45,024	(39,929)	(56,305)	-	19,661
	<u>2,661,888</u>	<u>1,223,858</u>	<u>(1,051,722)</u>	<u>-</u>	<u>30,090</u>	<u>2,864,114</u>

Summary of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
General funds	2,438,119	1,170,179	(1,016,725)	(556)	2,591,017
Restricted funds	93,776	20,741	(44,202)	556	70,871
	<u>2,531,895</u>	<u>1,190,920</u>	<u>(1,060,927)</u>	<u>-</u>	<u>2,661,888</u>

KINGDOM FAITH CHURCH

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,714,573	2,714,573
Current assets	19,661	187,396	207,057
Creditors due within one year	-	(57,516)	(57,516)
Total	19,661	2,844,453	2,864,114

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	58,686	2,632,780	2,691,466
Current assets	12,185	76,033	88,218
Creditors due within one year	-	(117,796)	(117,796)
Total	70,871	2,591,017	2,661,888

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	172,136	129,994
Adjustments for:		
Depreciation charges	6,820	4,523
Decrease/(increase) in stocks	7,297	(179)
Decrease/(increase) in debtors	(2,773)	9,844
Decrease in creditors	(60,925)	(118,239)
Net cash provided by operating activities	122,555	25,943

KINGDOM FAITH CHURCH

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

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	178,470	55,108
Overdraft facility repayable on demand	(2,836)	(2,193)
Total cash and cash equivalents	175,634	52,915

22. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	55,108	123,362	178,470
Bank overdrafts repayable on demand	(2,193)	(643)	(2,836)
Debt due within 1 year	(5,223)	(656)	(5,879)
	47,692	122,063	169,755

23. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £37,443 (2020 - £38,318). Contributions amounting to £5,879 (2020 - £5,223) were payable to the fund at the balance sheet date and are included in creditors.

Pension contributions payable in respect of the trustees are more fully disclosed in note 11.

24. Post balance sheet events

At the date of finalising the accounts the charity has agreed in principle to lease the property at Roffey Place. The property will be let to Turning Tides for a period of 5 years at a rental cost that will cover the Council tax and property insurance costs.