
KINGDOM FAITH CHURCH

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019

Trustees

Mr. Bengt Wedemalm
Mr. Clive Urquhart
Mr. Jonathan Croft
Mr. Simon Coles
Mr. Jeremy Blake
Mr. Jon Elliott

Charity registered number

278746

Principal office

Roffey Place
Old Crawley Road
Horsham
West Sussex
RH12 4RU

Independent auditors

Baldwin Scofield Ltd
Chartered Accountants
Registered 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

Donne, Mileham & Haddock
40 Hight Street
Crawley
West Sussex
RH10 1BW

KINGDOM FAITH CHURCH

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report together with the audited financial statements of the charity Kingdom Faith Church for the 1 January 2019 to 31 December 2019.

Structure, governance and management

• CONSTITUTION

The charity is a trust formed under a declaration of trust 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.

An amendment to the trust deed was approved by the Trustees on 27 April 2009 and by the Charity Commission.

• METHOD 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.

• 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.

• ORGANISATIONAL STRUCTURE AND DECISION MAKING

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 policies and strategies on behalf of the Trustees.

• 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.

• 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 our exposure to the major risks. These assessments are subject to ongoing review and monitoring.

KINGDOM FAITH CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Objectives and Activities

● POLICIES AND OBJECTIVES

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

● PUBLIC BENEFIT

The Trustees confirm that they have given due regard to the Charity Commission's public benefit guidance when exercising any powers or duties in the running of the Trust.

● ACTIVITIES FOR ACHIEVING OBJECTIVES

Notable activities and performance during the period were:

The 2019 calendar year started with 21 days prayer and fasting, incorporating encounter nights, prayer meetings and encouraging families and small groups across all the congregations to gather for food, fellowship and communion together.

Growth in community attendance at family activities in The HUB continued to be very popular having a great reputation in the area for being a great facility with excellent activities in a very peaceful and welcoming atmosphere.

We continued in 2019 with our outreaches and mission weeks aimed at different sectors of the community which saw many lives impacted within the context of the 4 congregation locations.

We launched a fourth congregation in Burgess Hill, West Sussex in April 2019. Along with some initial growth, the congregation has become part of the wider Christian community in the town with good relationships developing with other church leaders and churches in the town.

We have continued to develop Leadership within the church over the last 12 months, having a clear and defined Leadership Pathway which equips members to lead in all aspects of church life. Alongside this we continued our 12-month leadership development Internship called Accelerate. (please see comment in Future developments)

We have continued to develop our discipleship pathway which helps to connect new people into the life of the church through to teaching, training and equipping people into ministry and leadership.

The partnering church relationships continue to grow and develop. The National Leaders conference in March was very well received and this continues to be an important context in connecting with and building these relationships, as well as the itinerant aspect of visiting these churches and partnering leaders.

Our individual Partners have continued to be faithful supporters in terms of prayer, attendance and financial giving.

The Training College continued to deliver first class teaching, training and equipping with very positive feedback from churches who receive the benefit of our students working with them both during and after training. (please see comment in Future developments)

The Child Contact Centre continues to operate every other Saturday allowing a separated parent to see their child in a safe and friendly environment. This was extended in 2018 to offer supervised contact during the week and this has continue to grow.

KINGDOM FAITH CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

- **REVIEW OF ACTIVITIES**

The current period produced a total deficit of £49,632 (2018: Surplus £3,923). This was after non-cash depreciation charge of £8,817 (2018: £14,812)..

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

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.

- **RESERVES POLICY**

The trustees have a reserve policy of £100k to be held in cash, to help smooth out cash flow timings. At year end this was not being met and cash at year end was £32,638, which is an increase on 2018 (£30,027).

Plans for future periods

- **FUTURE DEVELOPMENTS**

The plans for the Trust in the year ahead were set out during the Kingdom Faith vision Sunday held on January 5th 2020, the recording of which is available on the Church website.

We made the decision as a leadership that the residential Training College would cease in April 2020. We are currently looking at how we develop and deliver training online in a non-residential context going forward. We will also not be running our accelerated leader training internship in the same way moving forward.

At the time of writing we are still investigating the scope and need for the Main house development and the wider site, it is envisaged that 2020 will be another year of planning with very little expenditure.

KINGDOM FAITH CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' RESPONSIBILITIES STATEMENT

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 the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 proper 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.

This report was approved by the Trustees, on 29 October 2020 and signed on their behalf by:

Mr. Clive Urquhart

KINGDOM FAITH CHURCH

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF KINGDOM FAITH CHURCH

OPINION

We have audited the financial statements of Kingdom Faith Church (the 'charity') for the year ended 31 December 2019 set out on pages 9 to 24. 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KINGDOM FAITH CHURCH

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF KINGDOM FAITH CHURCH

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 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 TRUSTEES OF KINGDOM FAITH CHURCH

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

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
Registered Auditors

3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU
29 October 2020

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 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	668	4,380	5,048	8,500
Charitable activities	3	1,167,122	50,303	1,217,425	1,649,681
Other trading activities		14,391	-	14,391	26,647
TOTAL INCOME		1,182,181	54,683	1,236,864	1,684,828
EXPENDITURE ON:					
Raising funds		16,903	-	16,903	14,133
Charitable activities	7	1,206,191	63,402	1,269,593	1,666,772
TOTAL EXPENDITURE	8	1,223,094	63,402	1,286,496	1,680,905
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(40,913)	(8,719)	(49,632)	3,923
Transfers between Funds	16	(7,316)	7,316	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(48,229)	(1,403)	(49,632)	3,923
NET MOVEMENT IN FUNDS		(48,229)	(1,403)	(49,632)	3,923
RECONCILIATION OF FUNDS:					
Total funds brought forward		2,486,347	95,179	2,581,526	2,577,603
TOTAL FUNDS CARRIED FORWARD		2,438,118	93,776	2,531,894	2,581,526

The notes on pages 12 to 24 form part of these financial statements.

KINGDOM FAITH CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	12		2,691,350		2,697,223
CURRENT ASSETS					
Stocks	13	12,120		17,309	
Debtors	14	30,655		32,221	
Cash at bank and in hand		32,638		30,027	
			<u>75,413</u>	<u>79,557</u>	
CREDITORS: amounts falling due within one year	15	(234,869)		(195,254)	
NET CURRENT LIABILITIES			<u>(159,456)</u>		<u>(115,697)</u>
NET ASSETS			<u>2,531,894</u>		<u>2,581,526</u>
CHARITY FUNDS					
Restricted funds	16		93,776		95,179
Unrestricted funds	16		2,438,118		2,486,347
TOTAL FUNDS			<u>2,531,894</u>		<u>2,581,526</u>

The financial statements were approved by the Trustees on 29 October 2020 and signed on their behalf, by:

Mr. Simon Coles

The notes on pages 12 to 24 form part of these financial statements.

KINGDOM FAITH CHURCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>26,210</u>	<u>(2,095)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(2,944)</u>	<u>(9,074)</u>
Net cash used in investing activities		<u>(2,944)</u>	<u>(9,074)</u>
Cash flows from financing activities:			
Repayments of borrowings		(20,000)	-
Cash inflows from new borrowing		-	20,000
Net cash (used in)/provided by financing activities		<u>(20,000)</u>	<u>20,000</u>
Change in cash and cash equivalents in the year		3,266	8,831
Cash and cash equivalents brought forward		<u>28,345</u>	<u>19,514</u>
Cash and cash equivalents carried forward	19	<u><u>31,611</u></u>	<u><u>28,345</u></u>

The notes on pages 12 to 24 form part of these financial statements.

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Kingdom Faith Church constitutes a public benefit entity as defined by FRS 102.

1.2 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.3 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

All expenditure is inclusive of irrecoverable VAT.

1.4 Tangible fixed assets and depreciation

No depreciation is provided on freehold land and buildings as the Trustees have adopted a revaluation policy stating freehold land and buildings at market value. The latest independent valuation of land and buildings was conducted in July 2010 and the Trustees are of the opinion that this valuation is not materially different to market value at the balance sheet date.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives 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

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.6 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.

1.7 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.

1.8 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.

1.9 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 within interest payable and similar charges.

1.10 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.

1.11 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.

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.12 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Legacies	668	-	668	-
Grants	-	4,380	4,380	8,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	668	4,380	5,048	8,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	-	8,500	8,500	
	<hr/>	<hr/>	<hr/>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Revival College	162,165	-	162,165	175,736
Faith Camp	20	-	20	221,412
Kingdom Faith Church	774,550	21,530	796,080	763,964
Ministry	230,387	28,773	259,160	488,569
	<hr/>	<hr/>	<hr/>	<hr/>
	1,167,122	50,303	1,217,425	1,649,681
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	1,601,051	48,631	1,649,682	
	<hr/>	<hr/>	<hr/>	

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. ANALYSIS OF GRANTS

	Grants to Institutions 2019 £	Grants to Individuals 2019 £	Total 2019 £	Total 2018 £
Grants, Kingdom Faith Church	-	305	305	-
Grants, Ministry	17,075	31,800	48,875	79,550
	<u>17,075</u>	<u>32,105</u>	<u>49,180</u>	<u>79,550</u>
Total 2018	<u>47,925</u>	<u>31,625</u>	<u>79,550</u>	

5. DIRECT COSTS

	Revival College £	Faith Camp £	Kingdom Faith Church £	Ministry £	Total 2019 £	Total 2018 £
Telephone	-	-	-	13,737	13,737	14,798
Administration	1,181	-	8,653	-	9,834	12,534
Premises, repairs and renewals	-	-	15,222	14,230	29,452	27,403
Motor and travel	-	-	-	67,223	67,223	76,296
Printing, postage and stationery	-	-	491	7,746	8,237	8,727
Ministry costs	-	-	18,616	-	18,616	47,474
Computer expenses	-	-	-	12,010	12,010	13,779
Finance and interest charges	-	-	-	1	1	4
Utilities	-	-	-	60,169	60,169	63,715
Housekeeping	-	-	-	8,628	8,628	8,329
Catering and team costs	70,088	-	4,860	-	74,948	110,580
Venue costs	-	-	49,787	-	49,787	310,544
Bad debts	(1,261)	-	-	-	(1,261)	190
Wages and salaries	-	-	697,068	-	697,068	715,055
National insurance	-	-	50,632	-	50,632	52,991
Pension cost	-	-	40,290	-	40,290	39,786
Depreciation	-	-	-	8,817	8,817	14,812
	<u>70,088</u>	<u>-</u>	<u>885,619</u>	<u>192,561</u>	<u>1,148,188</u>	<u>1,517,017</u>
Total 2016	<u>7,084</u>	<u>421,124</u>	<u>877,046</u>	<u>211,763</u>	<u>1,517,017</u>	

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. SUPPORT COSTS

	Ministry £	Total 2019 £	Total 2018 £
Insurance	18,874	18,874	19,163
Legal and professional	33,384	33,384	28,724
Administration	6,187	6,187	8,037
Bank charges	8,980	8,980	9,481
	<u>67,425</u>	<u>67,425</u>	<u>65,405</u>
<i>Total 2016</i>	<u>65,405</u>	<u>65,405</u>	

7. GOVERNANCE COSTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Governance Auditors' remuneration	<u>4,800</u>	<u>-</u>	<u>4,800</u>	<u>4,800</u>

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading	-	-	16,903	16,903	14,133
Costs of raising funds	<u>-</u>	<u>-</u>	<u>16,903</u>	<u>16,903</u>	<u>14,133</u>
Revival College	-	-	70,008	70,008	7,084
Faith Camp	-	-	-	-	416,515
Kingdom Faith Church	787,990	-	97,934	885,924	877,046
Ministry	-	8,817	300,044	308,861	356,718
Charitable activities	<u>787,990</u>	<u>8,817</u>	<u>467,986</u>	<u>1,264,793</u>	<u>1,657,363</u>
Expenditure on governance	<u>-</u>	<u>-</u>	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>
	<u>787,990</u>	<u>8,817</u>	<u>489,689</u>	<u>1,286,496</u>	<u>1,676,296</u>
<i>Total 2018</i>	<u>807,832</u>	<u>14,812</u>	<u>858,261</u>	<u>1,680,905</u>	

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	8,817	14,812
Auditors' remuneration - audit	4,800	4,800
	<u>13,617</u>	<u>19,612</u>

1 Trustee received reimbursement of expenses amounting to £1,291 in the current year, (2018 - 2 Trustees - £1291).

10. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	697,068	715,055
Social security costs	50,632	52,991
Other pension costs	40,290	39,786
	<u>787,990</u>	<u>807,832</u>

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

2019 No.	2018 No.
33	37

The number of higher paid employees was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

11. TRUSTEES' REMUNERATION

Two trustees, one of their wives and one of their sons are employed by the church in various roles. The total gross salaries earned by those trustees and the wife and son of one of them amounted to £157,000 (2018: £149,000).

In addition, another trustee was provided with an honorarium for teaching at the bible college amounting to £800 (2018: £1,300).

During the year retirement benefits were accruing to 2 Trustees (2018 - 2) in respect of defined contribution pension schemes.

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2019	2,683,000	262,399	42,093	42,312	3,029,804
Additions	-	1,695	-	1,249	2,944
At 31 December 2019	2,683,000	264,094	42,093	43,561	3,032,748
Depreciation					
At 1 January 2019	-	248,984	42,093	41,504	332,581
Charge for the year	-	7,818	-	999	8,817
At 31 December 2019	-	256,802	42,093	42,503	341,398
Net book value					
At 31 December 2019	2,683,000	7,292	-	1,058	2,691,350
At 31 December 2018	2,683,000	13,415	-	808	2,697,223

The freehold land and buildings comprising Roffey Place, Old Crawley Road, Horsham and National Revival Centre, Foundry Lane, Horsham were valued by Mr. Daniel Berrisford for and on behalf of Ibbett Mosely Property 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.

13. STOCKS

	2019 £	2018 £
Finished goods	12,120	17,309

14. DEBTORS

	2019 £	2018 £
Trade debtors	8,082	7,468
Other debtors	88	76
Prepayments and accrued income	22,485	24,677
	30,655	32,221

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	1,269	1,682
Other loans	-	20,000
Trade creditors	69,909	90,764
Other taxation and social security	89,176	34,115
Other creditors	63,466	35,516
Accruals and deferred income	11,049	13,177
	<u>234,869</u>	<u>195,254</u>

Deferred income decreased during the year by £2,126 (2018: Decrease £3,394).

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2019 £
Unrestricted funds					
General Fund	2,251,829	1,182,181	(1,223,094)	(7,316)	2,203,600
Revaluation fund	234,518	-	-	-	234,518
	<u>2,486,347</u>	<u>1,182,181</u>	<u>(1,223,094)</u>	<u>(7,316)</u>	<u>2,438,118</u>
Restricted funds					
Building refresh fund	7,786	-	(3,377)	-	4,409
Child contact centre fund	10,338	29,953	(29,067)	-	11,224
Storehouse fund	1,179	1,750	(663)	-	2,266
Israel fund	-	2,387	(5,429)	3,042	-
Foyer refurbishment fund	58,686	-	-	-	58,686
Play area fund	940	-	-	-	940
Israel No. 2 fund	15,000	-	-	-	15,000
Mission fund	1,250	-	-	-	1,250
Jerusalem Prayer Breakfast	-	20,593	(24,866)	4,274	1
	<u>95,179</u>	<u>54,683</u>	<u>(63,402)</u>	<u>7,316</u>	<u>93,776</u>
Total of funds	<u>2,581,526</u>	<u>1,236,864</u>	<u>(1,286,496)</u>	<u>-</u>	<u>2,531,894</u>

Restricted funds

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

The Crawley building fund had been raised for the purchase of a building. The fund has now been

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16. STATEMENT OF FUNDS (continued)

discontinued. Funds have been refunded to donors where requested and permission from the Charity Commission has been sought to unrestrict the balance of the fund so that the funds can be used to hire premises to hold church services in Crawley.

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

The balance on the Foyer refurbishment funds amounting to £56,686 represents the capital expenditure incurred on the project.

The play area fund has incurred further capital expenditure during the year leaving £940 still to be spent on improvements.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2018 £</i>
General funds					
General Fund	2,237,361	1,627,698	(1,605,333)	(7,896)	2,251,830
Revaluation fund	234,518	-	-	-	234,518
	<u>2,471,879</u>	<u>1,627,698</u>	<u>(1,605,333)</u>	<u>(7,896)</u>	<u>2,486,348</u>
Restricted funds					
Building refresh fund	18,360	-	(10,574)	-	7,786
Church gift fund	-	648	(648)	-	-
Child contact centre fund	11,353	20,351	(21,366)	-	10,338
Storehouse fund	1,385	809	(1,015)	-	1,179
Israel fund	-	34,073	(41,969)	7,896	-
Foyer refurbishment fund	58,686	-	-	-	58,686
Play area fund	940	-	-	-	940
Israel No. 2 fund	15,000	-	-	-	15,000
Mission fund	-	1,250	-	-	1,250
	<u>105,724</u>	<u>57,131</u>	<u>(75,572)</u>	<u>7,896</u>	<u>95,179</u>
Total of funds	<u>2,577,603</u>	<u>1,684,829</u>	<u>(1,680,905)</u>	<u>-</u>	<u>2,581,527</u>

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2019 £
General funds	2,486,347	1,182,181	(1,223,094)	(7,316)	2,438,118
Restricted funds	95,179	54,683	(63,402)	7,316	93,776
	<u>2,581,526</u>	<u>1,236,864</u>	<u>(1,286,496)</u>	<u>-</u>	<u>2,531,894</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2018 £
General funds	2,471,879	1,627,698	(1,605,333)	(7,896)	2,486,348
Restricted funds	105,724	57,131	(75,572)	7,896	95,179
	<u>2,577,603</u>	<u>1,684,829</u>	<u>(1,680,905)</u>	<u>-</u>	<u>2,581,527</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	2,691,350	-	2,691,350
Current assets	(18,363)	93,776	75,413
Creditors due within one year	(234,869)	-	(234,869)
	<u>2,438,118</u>	<u>93,776</u>	<u>2,531,894</u>

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	2,697,223	-	2,697,223
Current assets	(15,622)	95,179	79,556
Creditors due within one year	(195,253)	-	(195,253)
	<u>2,486,348</u>	<u>95,179</u>	<u>2,581,526</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(49,632)	3,923
Adjustment for:		
Depreciation charges	8,817	14,812
Decrease in stocks	5,189	1,262
Decrease in debtors	1,566	4,325
Increase/(decrease) in creditors	60,270	(26,417)
Net cash provided by/(used in) operating activities	<u>26,210</u>	<u>(2,095)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	32,638	30,027
Overdraft facility repayable on demand	(1,027)	(1,682)
Total	<u>31,611</u>	<u>28,345</u>

KINGDOM FAITH CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. PENSION COMMITMENTS

The charity operates a defined contributions 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 £40,290 (2018: £39,786). Contributions totalling £11,851 (2018: £12,190) were payable to the fund at the balance sheet date and are included in creditors.

Pension contributions amounting to £8,665 (2018: £8,665, two trustees) were made in respect of two trustees during the year. A further £2,021 (2018: £2,256) of pension contributions were paid on behalf of family members of one trustee.

21. OPERATING LEASE COMMITMENTS

At 31 December 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Between 1 and 5 years	-	18,229