

# ANNUAL REPORT & FINANCIAL STATEMENTS

For the year 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022



# CONTENTS

	PAGE
CHARITY AND COMPANY INFORMATION	3
EXECUTIVE SUMMARY	4
TRUSTEES' REPORT	6
INDEPENDENT AUDITOR'S REPORT	20
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	23
BALANCE SHEETS – CHARITY AND GROUP	24
CONSOLIDATED STATEMENT OF CASH FLOWS	25
NOTES TO THE FINANCIAL STATEMENTS	26
APPENDICES TO THE TRUSTEES' REPORT (THESE DO NOT FORM PART OF THE FINANCIAL STATEMENTS)	
1. IMPACT	43
2. CONNECT	44
3. COMMUNITY	45
4. PASTORAL	47
5. SEND	49
6. KA APOSTOLIC	50
7. KA FACILITIES (Bedford)	51
8. RE-TRACK	52
9. KING'S ARMS HISTORY AND DEVELOPMENT	53

## CHARITY AND COMPANY INFORMATION

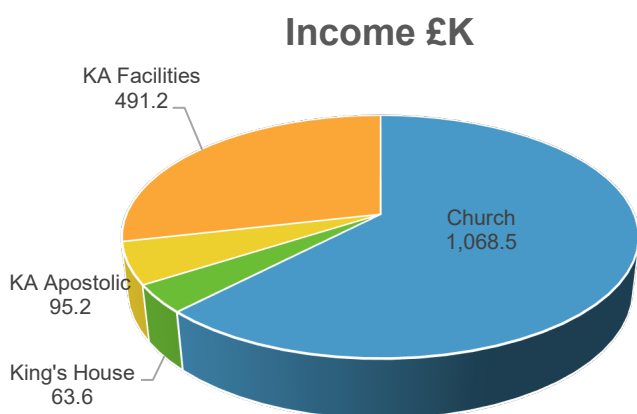
<b>Trustees/Directors</b>	Roydon Loveley (Chair) Rachel Hickman Peter Humphrey Rotimi Odeniran	Simon Holley Nicola Marfleet Philip Varley
<b>Elders</b>	Simon Holley (Lead Elder) Paul Johnson Stephen Wilson	Roydon Loveley Philip Wilthew
<b>Charity Number</b>	1116359	
<b>Company Number</b>	5899019	
<b>Registered Office</b>	King's House 245 Ampthill Road Bedford MK42 9AZ	
<b>Independent Auditor</b>	Wright Connections Bedford i-Lab Priory Business Park Stannard Way Bedford MK44 3RZ	
<b>Business Address</b>	King's House 245 Ampthill Road Bedford MK42 9AZ	
<b>Solicitors</b>	Sharman Law 1 Harpur Street Bedford MK40 1PF  Avensure Ltd South Central, 11 Peter Street Manchester, M2 5QR	Wellers Law Group LLP 65-68 Leadenhall Street London EC3A 2AD
<b>Bankers</b>	Unity Trust Bank Plc 4 Brindleyplace Birmingham B1 2JB  Co-operative Bank Plc 4 <sup>th</sup> Floor 9 Prescot Street London E1 8AZ  Shawbrook Bank Ltd Lutea House Warley Hill Business Park The Drive, Great Warley Brentwood, Essex CM13 3BE	National Westminster Bank Plc 81 High Street Bedford MK40 1YN  Virgin Money Plc Jubilee House Gosforth Newcastle upon Tyne, NE34PL  Nationwide Building Society Nationwide House Pipers Way Swindon SN38 1NW

The King’s Arms Trust (Bedford) had an encouraging year with the results reflecting a successful recovery from the impact of COVID-19 on the activities and operations of the Trust; being both the company and its subsidiary. The total income of £1,718.5K, was an increase of 8.4% compared with 2021.

The main charitable activities of the Trust (being the company and its subsidiary), all of which provide public benefit, are:

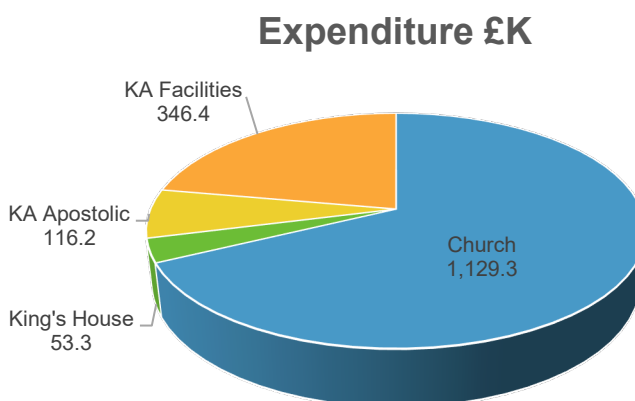
- **King’s Arms Church** – A vibrant church of around 1,300 adults, children and youth with numerous meetings and activities held, in-person, and on-line. The church also operates **Re-Track** – an initiative, set-up in response to the pandemic, offering flexible one-to-one support for job seekers. Within King’s Arms Church there are also two key further activities identified as separate designated funds that assist in furthering the objectives of the Trust;-
  - **King’s House** – the building owned by the Trust, providing the home for the majority of its activities.
  - **KA Facilities (Bedford) Ltd** – A wholly owned subsidiary company from within which a coffee shop and facilities rental are operated.
- **KA Apostolic** – the focus of the work of King’s Arms Church in supporting leaders and churches in the UK and other nations.

A summary of the income and expenditure of each of the activities of the Trust is shown in the pie charts. It should be noted that the finances of the various activities of the Trust are controlled and monitored independently of each other.



Income totalled £1,718.5K. The majority of the Church income of £1,068.5K came from individuals attending the King’s Arms Church.

Expenditure totalled £1,645.2K, with the church, KA Facilities and the King’s House building being the three largest areas.



The net assets of the Trust at the end of 2022 were £2,738.7K an increase of £73.3K compared to 2021.

## EXECUTIVE SUMMARY

## KING'S ARMS TRUST (BEDFORD)

2022 was the twelfth full year of the church meeting on a Sunday at King's House. The building comprises a 500-seater auditorium, coffee shop, many meeting rooms with capacities up to 250 people and office accommodation.

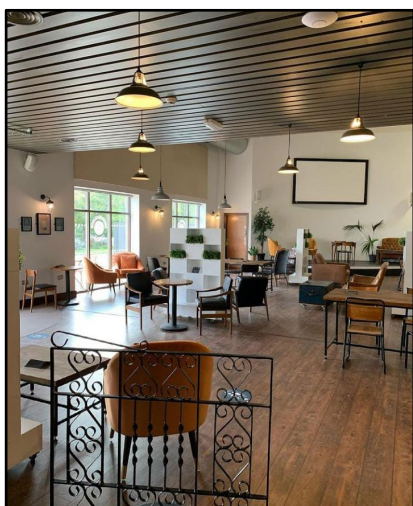
The office space, meeting rooms and auditorium are used by the church and are also made available for commercial rental. The coffee shop is open to the public as well as to visitors and users of the facilities at King's House and those who work in the building.

Throughout the year we enjoyed an increasing level of post pandemic normality with the three church meeting each Sunday: 9:30 am (King's House), 10:30 am (University) and 11:30 am (King's House), with growing numbers attending and people having greater confidence in meeting in large gatherings. We also continued to provide services online, initially through a pre-recorded service each week which transitioned later in the year to a livestream of the 11:30 am meeting.

The growing number of people attending was made up of people returning after the pandemic and also new people connecting to our Sunday gatherings. In the final quarter of the year the average weekly attendance at the three locations was 431 adults with around another 40 connecting online.

In addition, the church ran a wide variety of activities including:

- Children's and Youth meetings both on Sunday and during the week.
- Life Groups or Missional Communities meeting regularly midweek.
- A variety of activities and events for the elderly, prisoners and the local community.
- Pastoral support to those in need within the church community.
- Serving 60 different churches based in the UK and 14 different countries.
- Re-Track Career and Employment Centre offering flexible one-to-one support for job seekers, and coaching for individuals in compiling CVs while searching for employment.
- Much of the above being run or supported by 350 people providing volunteer support.



Of particular note was the KA Facilities trading income which was £510.3K with an operating profit of £144.8K which was 41% higher than 2021. The main reason for this exceptional performance was several long-term bookings for the rental of rooms at King's House. Two of our long-term contracts used King's House 5 days a week: Bedford Hospital training newly arrived international nurses and Serco training new staff. In addition, from January both regular and new customers used King's House for meetings, celebrations and events and on many days all of the rooms were occupied.

Financial support from voluntary donations by church members were maintained throughout the year at very near to pre COVID-19 levels. Expenditure continued to be tightly controlled and budget forecasts monitored with the aim of minimising any depletion of reserves.

In summary, the Trust successfully recovered from the impact of COVID-19 and the Trustees are confident that the Trust will continue as a going concern.

This is the sixteenth report of the King's Arms Trust (Bedford), an incorporated charitable company, which commenced operating on 1 January 2007.



## INTRODUCTION

The Trustees of the King's Arms Trust (Bedford) present herewith their group annual report, together with the financial statements of the charitable company and its trading subsidiary (KA Facilities (Bedford) Limited) for the year 1 January 2022 to 31 December 2022.

The King's Arms Trust (Bedford) is an incorporated charitable company (Charity No. 1116359 and Company No. 5899019) which commenced operating on 1 January 2007. Prior to this date, and from 1 January 1995 to 31 December 2006, the organisation operated as 'The King's Arms Trust', an unincorporated charity (No. 1044098).

The report provides details of the many and varied activities of the Trust.

## PRINCIPAL OBJECTIVES

The principal objectives of the King's Arms Trust (Bedford) are that of the advancement of the Christian faith in the UK and overseas, the advancement for the public benefit of religious and other education including the relief of the aged, poor, sick and disabled.

'Public benefit' is the legal requirement that all charities must have charitable purposes which benefit the public. The Charities Act 2011 underlines this requirement. This report seeks to highlight the public benefit provided by the King's Arms Trust (Bedford).

## LEGAL AND ADMINISTRATIVE INFORMATION

The King's Arms Trust (Bedford) is governed by its constitution as defined in the Memorandum and Articles of Association.

The King's Arms Trust (Bedford) owns the freehold of King's House, a building located at 245 Amphill Road, Bedford MK42 9AZ. Many of the activities of the Trust are undertaken at King's House.

Throughout the year the Trustees had Property Owners Liability insurance cover with an indemnity limit of £10 million. The cost of the insurance was paid by the charitable company.

KA Facilities (Bedford) Ltd, a wholly owned subsidiary company, commenced operations on 1 January 2013. The company operates facilities within King's House:

- Ground Floor Coffee Shop.
- Rental of the meeting and conference facilities.

## TRUSTEES AND LEADERSHIP

The Trustees/Directors during the year were:

Roydon Loveley (Chair)	Rachel Hickman
Simon Holley	Peter Humphrey
Paul Johnson (Resigned 4 October 2022)	Nicola Marfleet
Rotimi Odeniran (Appointed 26 March 2023)	Philip Varley



**FINANCIAL OVERVIEW**

A summary of the income and expenditure (£K) of each of the activities of the Trust during 2022 is shown below. It should be noted that the finances of the various activities of the Trust are independent of each other.

	King's Arms Church	King's House	KA Facilities (Bedford) Ltd	KA Apostolic	Total
Income	1,068.5	63.6	491.2	95.2	1,718.5
Expenditure	-1,129.3	-53.3	-346.4	-116.2	-1,645.2
Internal Transfers	-13.8	158.0	-160.0	15.8	-
Net surplus/deficit	-74.6	168.3	-15.2	-5.2	73.3

Note that TSM (Training for Supernatural Ministry) and Events/Conferences both ceased operating during the year and KA Media continues but at a very low level and therefore the figures for these are now all included within the total Church figures.

Income totalled £1,718.5K, an increase of 8.4% compared to the previous year. Income for the church, totalling £1,068.5K, mainly came from members and supporters of the church. Expenditure totalled £1,645.2K, an increase of 7.9% compared to the previous year, with the church, King's House and KA Facilities being the largest areas of expenditure. The net assets of the Trust at the end of 2022 were £2,738.7K an increase of £73.3K compared to 2021. The results reflect a full recovery, post the downturn as a consequence of COVID-19. Of particular note was the KA Facilities trading income which was £510.3K with an operating profit of £144.8K which was 41% higher than 2021 (these results include inter-company trading which are not shown in the table above as they have been eliminated on consolidation in presenting the final group financial statements). The main reason for this exceptional performance was several long term bookings for the rental of rooms at King's House.

The building loan balance outstanding at the end of 2022 was £632.5K, compared to the total initial value of £1,430K. In summary 55.8% of the total amount borrowed has been paid off in the last thirteen years. At the year-end it was noted that the Trust was in breach of the loan covenant as described in note 19 of the Financial Statements. Whilst this is a breach which could result in a material uncertainty regarding going concern as the bank could recall the loan, we as trustees believe the risk of this is very low as all repayments have been made in accordance with the loan agreement, the Trust has sufficient unrestricted cash reserves at the year-end of £405K to more than cover the total repayments due in 2023 of £97K, and subsequent to the year-end unrestricted cash reserves have increased to more than £473K as at the end of July 2023.

**KING'S ARMS CHURCH OVERVIEW**

There are around 1,000 people who consider themselves to be part of the King's Arms Church community.

Throughout the year we enjoyed an increasing level of post pandemic normality with meetings each Sunday at three locations: 9:30 am (King's House), 10:30 am (University) and 11:30 am (King's House), with growing numbers attending and people having greater confidence in meeting in large gatherings. We also continued





to provide services online for those wanting to connect in this way - initially through a pre-recorded programme each week which transitioned later in the year to a livestream of the 11:30 am meeting.

The growing number of people attending was made up of people returning after the pandemic and also new people connecting to our Sunday gatherings. In the final quarter of the year the average weekly attendance at the three locations was 431 adults with around another 40 connecting online each week.

**King's Kids**

Throughout the year King's Kids met during each of the three church meeting locations on a Sunday morning for Bible teaching, craft activities, singing and playing games. Around 150 children attend supported by over 90 volunteers working on a rota.

During the Spring and Summer term we ran a discipleship group after school once a fortnight for children aged 8-11 and in the autumn term we added a group for children aged 5-7 and a parents' group running in parallel. Once a month there is a kids' social with a different focus each time. These have included games nights, movie nights and nerf gun games and have usually been attended by over 30 children.



Over the year we ran three family fun afternoons at Easter, in the Summer and at Christmas. These involved bouncy castles, farm animals, craft stations and games for all the family to enjoy. These were open to the local community and our Christmas session saw over 200 people attend with about half of the attendees being from the community.

**Youth**

On Sundays we run youth meetings for the 11-14s at the three service locations during school terms. Around 65 young people attend including some of our 15-18s who join us as 'young leaders'. With Covid restrictions no longer in place we also began meeting together again on Wednesday nights with the 11-14s and 15-18s breaking out into separate groups with around 60 young people attending. We also run a sixth form group once a month which regularly sees around 10-15 young people attending.

In August, 81 young people, supported by a team of 15 leaders and helpers, attended Newday, a youth festival run by newfrontiers. The week was filled with fun, encounters with God and multiple salvations. It was amazing to see so many young people from the different Sunday locations connect with one another and make friendships that have continued throughout the year.



In November we went away for a weekend with 70 young people to the Grafham Water Centre where we worshipped, learned about God together, and had fun as a youth family with activities such as high ropes, archery and canoeing. One of the highlights was on Saturday evening when 60 young people responded to wanting to lay their lives down afresh to live for God. There have been so many things to celebrate during the year. We have seen healings and salvations, and 18 of the youth were baptised during the year.

## Group Life

Over the year Group Life comprised around 55 Missional Communities, Life Groups and Equip Groups. The restrictions and slowdown experienced during the Covid pandemic are now in the past and Group Life is fully re-established in the life of the church.



Life Groups are run by a wide demographic of people who attend the King's Arms Church and they enable every person who attends the church to relate to others in a variety of different ways. We have groups that cater for the younger and older generations, some that have a more family feel, and others for those who'd like to get into community in a deeper manner. We have groups that seek to meet the needs of men and women, meeting at all times of the day and week. We have seen Life Groups grow as people seek deeper connection in community with each other.

Missional communities seek to bring the kingdom in different contexts, for example: seeking to reach specific neighbourhoods, providing meals for the lonely, in the prison, Yarl's Wood, praying for sex workers, and supporting medical and teaching professionals. Equip Groups have included a marriage support course, Bible studies, prayer groups, pastoral groups such as "Still I Rise" and Discipleship Making Training.

The Belong group is aimed at people who have recently joined the church and wish to get more connected and build new friendships. During the year two courses were held for new people to meet with the leaders of the church and with each other and learn about the culture and history of the King's Arms.

At the end of the year 480 people were signed-up as members of a group.

## Impact

A wide variety of other activities continued during the year, including:

- **Alpha.** The Alpha course continued to run at the King's Arms in line with the world-wide Alpha ministry. The course gives people the chance to explore the Christian faith in a relaxed environment.
- **Prison Ministry.** 2022 saw us able to get back into the prison on a regular basis, after all the restrictions of Covid. We lead the Sunday service in the Chapel once a month with worship, prayers, Bible readings, a talk, and time for individual prayer ministry. We also have a weekly Bible study in one of the wings.
- **King's Playhouse.** King's Playhouse runs in term time every Wednesday morning from 10:00-11:30 and over the last year the group has grown with between 60 and 80 children and carers attending each week. In addition to the weekly sessions, hugely successful Christmas and Summer events were organized each with over 100 people in attendance.
- **The Well.** This provides afternoon tea for the retired generation. We now regularly see around 30 people attending each month, with new people at each session. Wendy Miller has taken over leadership and is building a team of volunteers, who gather to pray for The Well each month, as well as serving on the day.
- **Prayer.** In 2022 we endeavoured to respond to the growing and diverse needs of our church community by providing opportunities both to partake in prayer and receive prayer. We continued our daily devotional emails to over 200 people inspiring their daily walk with God in



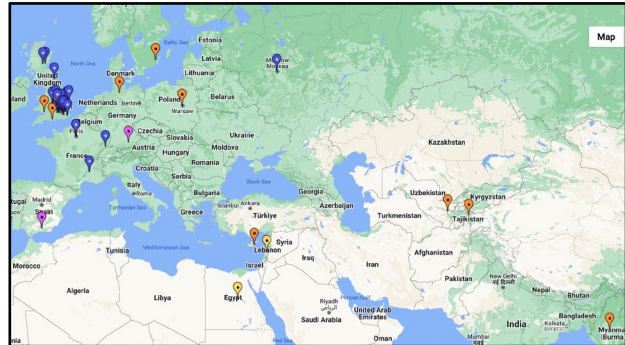
prayer. We now run three weekly prayer Zooms, as well as monthly prayer zooms for missionaries across the world.

- **Design & Communications.** One of our highlights from the year was creating a new Joining King's Arms booklet for newcomers to the church. Another big win was updating all our outdoor signage with our new logo and branding. We have also been refreshing our website and revamping social media posts.
- **Other Events** Every year we invest in community events which aim to provide a context for fun and building strong connections with our locality, while pointing people to the life and connection with God available through Jesus. In the last year these included special events with guest speakers like Carl Beech, and a Christmas Banquet serving the retired generation.

**KA Apostolic**

This area oversees and spearheads the trans-local work of the church in serving other local churches and apostolic networks. We also have the privilege to help, support and work with churches across the world.

King's Arms is part of Catalyst, a relational network of churches serving over 80 churches in the UK and many established and new churches in other nations. In the UK, Catalyst is led through apostolic Hubs that care for churches and provide strategic direction. Both Simon Holley and Phil Wilthew are part of the core apostolic team and have been actively involved in serving events such as the Catalyst Leaders weekend, leadership training and Impact training.



The Bedford Hub is serving over 50 different Churches which are in varying stages of connection with us. The majority of these are in the UK, with a geographical spread from London to Dundee. We also support churches in 14 other nations, and these receive input from our strategy team and church leaders on a regular basis.



In 2022 teams from the King's Arms served other churches through 21 ministry trips within the UK and also to Spain, France, Switzerland, Poland and Germany.

Our on-line leadership training huddles continued to develop including those focusing on Apostolic foundations, a European Leaders huddle, and a huddle to support church leaders in New Zealand who find it challenging to join our on-line Hub gatherings because of the time zone difference.

We also hosted our annual Resonate.global conference in March themed "In His Presence" with over 100 guests attending in person and 14 international guests joining us on line. We were honoured to have Pete Hughes the lead Pastor at King's X Church in London, as the guest speaker.

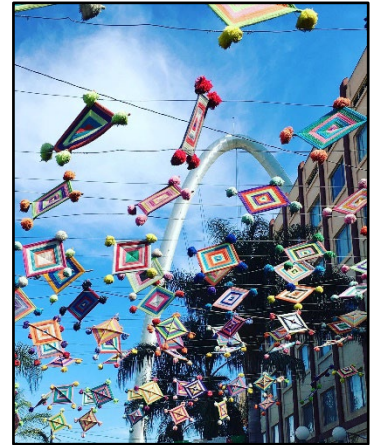
A new initiative was Amplify, a prophetic school, which runs mostly online with 2 additional in-person days at King's House. We were overwhelmed with applications, and accepted 90 students from the UK, Europe and South Africa.



**Send**

We continued to support people from the King's Arms now working in other countries.

It's been a transformational year for our missionary in Mexico, who finished building her home in Tijuana, after 2 years of fundraising, and moved into it in April 2022. March marked 10 years of Paula living and working amongst the poorest in Mexico – a real cause for celebration! In February, she and her team launched a medical clinic in the Hope Zone in downtown Tijuana with qualified staff volunteering their time to treat the community.



Over in North Africa, our missionary there has moved to a mega city in March 2022. She immediately started to study a new Arabic dialect and has been memorising Bible stories in classical Arabic ready to retell when the opportunity arises. There are many in the city from a neighbouring war torn country who have come for medical treatment. She has been visiting some of the patients in their homes, taking much needed food and sharing some Bible stories and prayers as well as God's kindness and comfort.



In the Middle East, our missionary there has also been continuing with Arabic study. The economic situation in her country continued to deteriorate yet people somehow managed to survive. She writes, 'I picked up a couple of mana'esh (think pizza dough but no sauce) on the way home today. A 6 year old girl came up to me in the street and asked for food. I was grateful I'd bought more than I needed'.

**Pastoral Support**

Looking back, 2020 and 2021 were predominantly about navigating the shifting demands and impacts of caring for people in a pandemic. 2022 saw a shift away from urgent **response to rebuilding**. In broad terms the year was largely about helping people process the practical and psychological after-effects of Covid. It was about coming to terms with loss and learning about restoration. To this end, as a community of pastoral staff and volunteers we gave our time and energies into a number of different areas.

- **Pastoral 'Catch-Up' Sessions.** Loneliness and isolation were two unsurprising experiences in much of the population. So, in response to this we increased the number of Pastoral 'Catch-Up' sessions offered to those from the wider church community providing an opportunity to talk, process and off-load.
- **Practical help/ Care Fund.** A listening ear is always welcome but sometimes practical help is needed. So, 2022 saw the team and volunteers helping with food shopping, taking funerals and catering for wakes, meal rotas, hospital visits, and helping a single mum move house. Once again, our 'Care Fund' was used to help buy food, clothing and everyday essentials when people fell on hard times.
- **Psychological Impact of Covid.** Whilst for most in 2022 life returned to a semblance of normality the psychological impact was still very real. Consequently, we deliberately focused on equipping staff and volunteers to operate in an environment where collective trauma is present.

In addition to these responses, we also continued to pursue our 3 main priorities as a team:

- **Mental Health and Well-Being.** We continued to run practical, 'bite-sized' evenings on Zoom for those who are struggling with their mental health or simply want to be better informed. Additionally, we continued to share best practice and support one another through our **Counselling Network**. We have 21 people either qualified or part qualified as counsellors.
- **Marriage Support.** The past few years have been extremely tough on many relationships. Our team has run practical, accessible evenings which continue to grow in popularity. Topics included Conflict Resolution and Communication, Top Tips for a Healthy Marriage and Planning for your Marriage.

- Racial Integration.** In common with many groups in our society, we have continued working positively in this area and facing difficult issues together. Fortunately, in our diverse church family we have many courageous and gifted people who can help us move forward. In practical terms we launched our recovering from racial abuse course called "Still I Rise".

A key 'tentpole' of our pastoral care ministry is that the church isn't meant to be a 'holy huddle' but rather serve our local and wider community. During 2022 we continued to provide termly volunteer training at our Pastoral Hub. This was a gathering of roughly 40 volunteers looking at the topics described previously and giving a context for mutual encouragement. In November 22 we laid on our 3rd "Pastoral Forum", a round-table event for other churches to access. Roughly 70 delegates attended from across the nation to discuss our priorities of mental health, families and racial integration. Under this banner we focused on burnout, spiritual abuse, healthy relationships and racism.

**Re-Track**

This initiative started at the end of 2020, with the help of a match-funded grant of £20K through the "Love Your Neighbour" national initiative. Throughout 2022 Re-Track has engaged with various projects to support those in need in Bedford. We offered support in the form of emergency food parcels, Aid for Ukraine, Love Christmas boxes, litter picking, family fun days and warm spaces. Re-Track was staffed by one part-time employee together with trained and supervised volunteers from diverse backgrounds.



Throughout the year emergency food parcels have been provided for those in need. Ongoing support, one-to-one and referrals to the food bank are given to help those in need of long-term support. For the Love Christmas initiative, we created a web page, a video and social media posts enabling people to give money, donate items and/or boxes filled with gifts. Re-Track volunteers helped with preparing and delivering 176 boxes.

To support those affected by the ongoing conflict in Ukraine, during May and November we sent two vanloads of aid to one of the churches we are connected to in Krakow, Poland.

Elouise, one of the attendees at King's Playhouse wrote:

Seriously I couldn't sing your praises more. I am always recommending the group as my favorite to anyone asking after somewhere to take their little ones.

The other week when I was asking about warm spaces and straight away you let me know that there was help and support from you guys and your church was so heart warming. Even though I don't share your faith you were more than happy to help me.

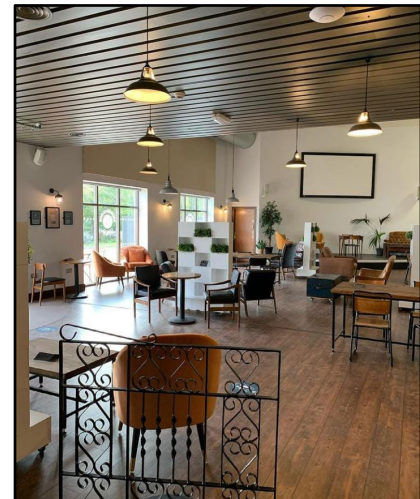
Your playgroup really is amazing and staffed by such lovely people. I couldn't praise you higher.

All these activities of the King's Arms Church, and others, are described in greater detail in the Appendices.

**King's House Overview**

During the week, King's House is used by our wider community as a venue for conferences, meetings and events. After a turbulent 2021 with numerous lock downs and re-openings, 2022 turned out to be our most profitable year to date. Two of our long-term contracts continued to meet in King's House 5 days a week: Bedford Hospital training newly arrived international nurses and Serco training new staff. From January onwards both regular and new customers used King's House for meetings, celebrations and events, and on many days all of the rooms were occupied.

Situated in the foyer area, Ground Floor Coffee shop is open to the public Monday – Friday. Due to our great fresh food and delicious hot drinks, and the fact that after Covid people wanted large open areas, the coffee shop has also seen an increase in guests this year.



In 2021 a new law was introduced; to protect people with food allergies who rely on the transparency of ingredients and food labelling for pre-packaged food. We have implemented a strong labelling system for our pre-packaged food. Food sales have increased since doing this and the feedback from customers is excellent.

**Greenhouse Gas Emissions (GGEs)**

Electricity consumption by the King's Arms has been shown to be the greatest contributor to GGEs. Consequently, 60 solar panels were installed on the roof of King's House in 2021 with the aid of a £10K grant from Bedford Borough Council. Mayor Dave Hodgson visited King's House in April 2022 to learn how the King's Arms was benefiting from the Solar Panels and also about the other initiatives the trust was taking to reduce our GGEs. A further 60 solar panels will be installed on the roof in the first half of 2023 again with a grant of £10K from Bedford Borough Council.



Other energy savings measures include installing LED lights and additional insulation in the ceilings. Another measure under active consideration is the introduction of a smart energy control system.

## GOVERNANCE

The importance of governance to the Trust is shown by the inclusion of a Governance Team Leader in the top-level organisation as described earlier. In addition to the oversight provided by Trustees, the regular management and oversight of governance issues includes:

**Finance Team.** This consists of the Governance Team Leader and Finance Officers and generally meets monthly. The Trust currently employs three Finance Officers (two part-time) with each being responsible for a separate area of the work of the Trust. Monthly management accounts are generated showing income and expenditure against the agreed budget and also annual forecasts.

**Trustees.** Keeping the Trustees regularly informed of all matters of importance and for the organisation of Trustee meetings.

**Legal.** Including ensuring that adequate insurance is in place and managing the leases for the office tenants at King's House.

**Health & Safety.** Including the generation and implementation of H&S Policies.

**HR.** Including policies and procedures, the recruitment of staff and the preparation of contracts of employment and associated job descriptions.

## STAFF

At the end of 2022 there were 82 staff roles, broken down as follows:

	Church	Building and Facilities	Total
Full time	5	4	9
Part time / Zero Hours	33	40	73
Total	38	44	82
Full time equivalent	18.3	8.4	26.7

Church staff includes seven members of the SLT (4 full time and 3 part time). Several staff have more than one role and thus have multiple contracts of employment.

A 'Death-in-Service' life insurance scheme was continued in 2022, at no cost to employees, with cover of four times salary. The Trust also contributes to a staff pension scheme.

All staff, including paid Trustees, are subject to a formal annual review/appraisal, the outcome of which assists in determining any salary increases. Salary scales are regularly 'benchmarked' against similar churches, charities and other equivalents.

## SAFEGUARDING

A rewrite of the Safeguarding policy and procedure, identifying best practice was completed followed by training for staff and volunteers. An independent review of Safeguarding at the King's Arms took place during the year, with a professional from outside of the King's Arms reviewing all aspects of Safeguarding. This provided a very positive review but with a number of recommendations, the majority of which have now been implemented. It is planned to undertake similar reviews every three years to ensure that we are up to date with the latest national advice.

## KA FACILITIES (BEDFORD) LTD

A wholly owned subsidiary company 'KA Facilities (Bedford) Ltd' (Company No: 8314420) commenced trading on 1 January 2013. The Ground Floor Coffee Shop and facilities bookings operate within this subsidiary company which gifts any trading surplus to the parent trust.

No staff are employed by the subsidiary company. Staff working in its support are employed by the parent Trust and their costs, including salary, NI and pension, are recharged to the subsidiary company. The company also pays an annual rental charge of £24K for the use of the coffee shop facilities.

The turnover of the company in 2022 was £510.3K a significant increase over the prior year (£328.8k in 2021). As a result, profits of £144.8K were also significantly higher than the prior year (£102.8K in 2021). Refer to Note 27.

Further details of the activities of the subsidiary company are provided in Appendix 7.

## RELATIONSHIP WITH KING'S ARMS PROJECT (BEDFORD)

The KAP was established in 1989 to work with homeless and disadvantaged people in Bedford. For many years the KAP functioned as part of the King's Arms Trust (Bedford) and its predecessor 'The King's Arms Trust', until in 2011 when a new charitable company was formed called the King's Arms Project (Bedford) with several trustees who were also trustees of the KAT. Since 2011 the number of common trustees has gradually reduced such that since January 2021 there are no common trustees. However there continues to be a close informal relationship between the two trusts with the KAT providing grant funding each year to the KAP. In 2022 this was £20K and in 2023 £10K. Note also that the KAP rented offices at King's House for a number of years but moved to premises in Harpur Street, Bedford in early 2023.

## KING'S ARMS CHURCH, BLUNHAM

The launch of a new Sunday and mid-week meeting location is planned in the Autumn of 2023 in the Blunham Old Meeting Baptist Church. The building is operated under Charity No: 237680 and has four trustees, two of whom are also trustees of the KAT, namely Roydon Loveley and Peter Humphrey. John Wright has been employed by the KAT for two days a week from June 2023 to lead the Blunham congregation. The Blunham Trust will continue to operate separately from the KAT and a collaboration agreement has been generated.



## CATALYST

As mentioned previously, the KAT is part of Catalyst a charitable company – Company No: 08284434, Charity No: 1150242. The KAT and Catalyst share two directors/trustees, namely Roydon Loveley and Simon Holley who leads a Catalyst strategy team made up of leaders from churches who are also part of Catalyst. Simon Holley is employed by the KAT, but Catalyst funds around 20% of his salary to cover his role in leading the strategy team.

## FUTURE PLANS

Along with continuing the current activities, plans for 2023 and beyond include:

- Commencement of Sunday meetings in Blunham at the Family Life Church Building, also known as Blunham Old Meeting Baptist Church.
- Further development of our on-line services and activities.
- Appointing additional Trustees with expertise in legal and HR.
- Appointment of additional Elders.
- Initiatives to further reduce our carbon footprint.



- Various refurbishments at King's House including the replacement of the flat roof over the offices.
- Introduction of further staff benefits including a Sabbatical Policy and Long Service Awards providing additional time off work and financial rewards.

### POST BALANCE SHEET EVENTS

The activities of the Trust have recovered to near, and in some cases exceeding, pre-pandemic levels. Attendance at our Sunday services, being held in three locations, continues to increase. The many and varied other church activities and the facilities bookings and the Ground Floor Coffee Shop at King's House are all operating in a very satisfactory manner.

Financial support from voluntary donations by church members to the end of 2022 was maintained and the Trust is in a healthy financial position with reserves in excess of the policy to hold a minimum of 2 months expenditure.

During the first six months of 2023, donations by church members have been maintained, supplemented by a successful Vision Offering of over £170K and the commitment of over 100 additional individuals (or couples) to support the church financially either through one-off or regular donations.

The impact on donations from church members due to high inflation and the increased cost of living continues to be monitored, and at the present time there is no indication that donations are being adversely affected. It is worth noting that a significant number of our committed financial supporters are retired with index-linked pensions and thus there is confidence that giving will continue, as was the case throughout the period of the pandemic, with no significant decrease.

Should donations decline to any significant extent, then expenses will be controlled and, if necessary, the substantial reserves used to maintain activities and operations.

Thus, the Trust has successfully navigated and recovered from the impact of the COVID-19 pandemic and the Trustees are satisfied that apart from the areas that continue to be monitored as mentioned above, that there are no other events or conditions that cast significant doubts about the ability of the group to continue as a successful on-going concern.

### PUBLIC BENEFIT

All the many and varied activities of the Trust as described in this report are available to, and for the benefit of, the public across the complete age spectrum, including children, teenagers and adults. The development of King's House, located in the Cauldwell area of Bedford, has significantly enhanced the scope of the activities that the Trust is able to provide to the benefit of the local and wider community. Thus, the Trust believes that it fully complies with the requirements of the Charities Act 2011 with respect to public benefit.

### FUNDRAISING

Most funds are provided by voluntary donations from those who attend the King's Arms Church. The Trust does not employ staff, or use professionals, whose sole job is to raise funds. On occasions, grant applications are made to provide funds for Re-Track and other activities, and to develop King's House. As described previously grant applications were made to Bedford Borough Council and £10K was received in 2021 and a further £10K has been awarded in 2023 towards the cost of installing additional solar panels on the roof of King's House.

### TRUSTEE INDUCTION AND TRAINING

The Trustees are also Directors of the company. Trustees are appointed by the Elders, with the approval of the other Trustees in accordance with the Memorandum and Articles of Association. Normally, new Trustees are already familiar with the work of the Trust, as they are committed members of King's Arms Church. However, in certain circumstances someone from another church, with whom we have a relationship, will be invited to become a Trustee. Prior to their appointment, new Trustees will meet with the Chair of the Trustees to review:

- The roles and responsibilities of a Trustee as defined in the Trustee Job Description

- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.
- The Trustee Induction Procedure.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

Charitable company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the profit or loss of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and that are sufficient to show and explain the company's transactions. This ensures that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud or any other irregularities.

### RESERVES

The reserves policy, agreed by the Elders and Trustees, is to maintain a level of free (or unrestricted) reserves to mitigate against the risk that the Trust experiences an unexpected event which would put it in financial difficulty. We believe that the appropriate level of unrestricted reserves should be based on a proportion of our regular costs as follows:

- Four months of long-term commitments, such as loan and utilities payments and the cost of running our Sunday services which are a vital activity to maintain;
- Two months of medium-term commitments such as permanent staff costs and the financial support we provide to overseas work;
- One month of short-term costs, including the day to day ministry activity of the church.

Using the above criteria, a detailed review has estimated that reserves should be at least £300K which represents around 2 months of expenditure. The unrestricted cash reserves held at 31 December 2022 were £405K, well above the target level, which the Trustees judge is reasonable in view of the uncertainties created by the inflationary price increases expected in the short to medium term.

The level of reserves held is reviewed on a monthly basis. In addition, the Trustees annually review the reserves policy to ensure it remains up to date and relevant.

The amount of restricted reserves held at the end of the year was £93,862.

### INVESTMENT POLICY

Reserve funds are invested such that the total in any one bank/building society is ideally less than the £85K guarantee limit provided by the Financial Services Compensation Scheme (FSCS). In order to stay below the limit, accounts have been opened with Co-op Bank, Virgin Money Plc, CAF Bank Ltd, Nationwide Building Society and National Westminster Bank Plc.

With bank/building society interest rates in early 2023 increasing to between 3% or 4% we are planning to invest some of the reserves with the Flagstone Cash Deposit Service operated by St James Place with a wide variety of different banks. Priority will still be given to protecting the reserves under the FSCS.

**RISK MANAGEMENT**

The major financial risks, as recognised by the Trustees, are as follows:

**Church.** For the church the risks are considered to be low due to the broad donor base. However, the risks have increased during the past few years due to the greater length of service being accumulated by staff and the contractual payments required should the church lose its donor base.

**Building.** The main risk associated with King's House is that sufficient income may not be generated to cover the costs associated with the operation and management of the building. These include loan repayments, staff salaries, operating and maintenance and any building developments. Risk is minimised by capital expenditure on building development only being sanctioned when funds are available from the normally annual church 'gift days' or from transfers from general church reserves when necessary.

The finances for King's House, including KA Facilities (Bedford) Ltd are monitored and controlled separately from the other areas of the work of the Trust with the main source of income being the gifts and regular giving from members of the church, office rental and the surplus generated by KA Facilities (Bedford) Ltd. A detailed cash forecast has been generated to the end of 2023. Future building developments will only be undertaken when funding is available. Any significant surplus money may be used to reduce the bank loans.

A detailed Risk Register has been generated and the financial and other risks have been reviewed and systems established to manage and mitigate these risks.

**POLICIES AND PROCEDURES**

The Trust has established policies which apply to both staff and those who take part in the community life and/or visit the church and building. During the past year existing policies, including Health & Safety policies, have been reviewed and upgraded and various new policies generated. Aversure have been appointed on a 3-year contract to provide legal services and assist with HR and Health and Safety issues.

**AUDITOR**

After many years of the auditors being Mazars LLP, it was decided to appoint a different company and, following a review Wright Connections Ltd were appointed as agreed at a meeting of the Trustees on 7 March 2023.

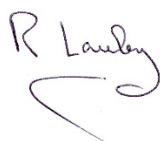
**STATEMENT OF DISCLOSURE TO THE AUDITOR**

The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

As far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware.

The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on: 19 September 2023



and signed on their behalf:

.....

**Roydon Loveley**

Chair of Trustees

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING'S ARMS TRUST (BEDFORD)

## **Opinion**

We have audited the financial statements of The King's Arms Trust (Bedford) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise of the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

## **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 company'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, 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.

## **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING'S ARMS TRUST (BEDFORD)

- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

## **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 group's and the parent charitable company'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.

## **AUDITOR'S 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 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.

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. Based on our understanding of the group and its activities we identified the principal risks of non-compliance with laws and regulations and considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements as being the Companies Act 2006 and the Financial Reporting Standard 102 applicable to the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and (Charities SORP (FRS102)).

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the consolidated financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial procedures. Our audit procedures included but were not limited to:

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING'S ARMS TRUST (BEDFORD)

- We obtained an understanding of the group and parent charitable company and its activities and identified that the most significant law and regulations it needs to comply with are employment regulation and health and safety regulation, licensing laws and safeguarding regulations.
- We also considered the laws and regulations that have a direct impact on the financial statements as being the Companies Act 2006, FRS 102 and the Charity SORP (2019) FRS102 and Charities Act 2011.
- We completed a disclosure checklist to ensure that the financial statements complied with the disclosures required by the Companies Act 2006, FRS 102 and the Charity SORP (2019)
- We obtained an understanding of how the group complies with these requirements by discussion with the Trustees and management of their policies and procedures regarding compliance with laws and regulations.
- We reviewed the Trustee meeting minutes.
- We ascertained the operational procedures and associated accounting systems to establish the completeness and accuracy of transactions.
- Making enquiries of the Trustees and management on whether they had knowledge of any actual and potential litigation and claims.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing review of journals raised and review of consolidation adjustments.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## USE OF THE AUDIT REPORT

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Catherine Brown BA FCA (Senior Statutory Auditor)  
For and on behalf of Wright Connections Limited  
Statutory Auditor  
Bedford I-Lab  
Priory Business Park  
Stannard Way  
Bedford  
MK44 3RZ

Date  
20 September 2023

**Consolidated Statement of Financial Activities – Year Ended 31 December 2022**

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds as restated 2021 £
	<b>Note</b>				
<b>Income from:</b>					
Donations	3	945,651	172,422	1,118,073	1,106,587
Charitable activities	4	30,119	46,314	76,433	132,616
Other trading activities	5	523,154	-	523,154	345,881
Investments	6	816	-	816	562
<b>Total income</b>		<b>1,499,740</b>	<b>218,736</b>	<b>1,718,476</b>	<b>1,585,646</b>
<b>Expenditure on:</b>					
Raising Funds - trading activities		346,362	-	346,362	225,966
Charitable activities	7	1,108,309	190,525	1,298,834	1,298,540
<b>Total expenditure</b>		<b>1,454,671</b>	<b>190,525</b>	<b>1,645,196</b>	<b>1,524,506</b>
<b>Net income / (expenditure)</b>		<b>45,069</b>	<b>28,211</b>	<b>73,280</b>	<b>61,140</b>
<b>Transfer between funds</b>		<b>(7,764)</b>	<b>7,764</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>22</b>	<b>37,305</b>	<b>35,975</b>	<b>73,280</b>	<b>61,140</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	22	2,607,498	57,887	2,665,385	2,604,245
<b>Total funds carried forward</b>	<b>22</b>	<b>2,644,803</b>	<b>93,862</b>	<b>2,738,665</b>	<b>2,665,385</b>

The Group's income and expenditure all relate to continuing operations. The Group has no recognised gains or losses other than those included above.

The notes on pages 26 to 42 form part of these financial statements.

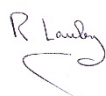
**Balance Sheet - Year Ended 31 December 2022**

	Note	King's Arms Trust Total funds 2022 £	King's Arms Group Total funds 2022 £	King's Arms Trust Total funds as restated 2021 £	King's Arms Group Total funds as restated 2021 £
<b>Fixed assets:</b>					
Tangible assets	15	2,875,705	2,875,705	2,783,856	2,783,856
<b>Current assets:</b>					
Stock	16	-	2,088	1,378	3,674
Debtors	17	51,296	79,651	38,587	69,499
Cash at bank and in hand		462,059	504,045	531,191	571,491
<b>Total current assets</b>		<b>513,355</b>	<b>585,784</b>	<b>571,156</b>	<b>644,664</b>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	(118,192)	(153,800)	(119,357)	(140,852)
<b>Net current assets</b>		<b>395,163</b>	<b>431,984</b>	<b>451,799</b>	<b>503,812</b>
<b>Total assets less current liabilities</b>		<b>3,270,868</b>	<b>3,307,689</b>	<b>3,235,655</b>	<b>3,287,668</b>
Creditors: Amounts falling due after more than one year	19	(569,024)	(569,024)	(622,283)	(622,283)
<b>Total net assets</b>		<b>2,701,844</b>	<b>2,738,665</b>	<b>2,613,372</b>	<b>2,665,385</b>
<b>The funds of the charity:</b>					
Restricted funds	23	93,862	93,862	57,887	57,887
Unrestricted funds	23	2,607,982	2,644,803	2,555,485	2,607,498
<b>Total charity funds</b>	<b>23</b>	<b>2,701,844</b>	<b>2,738,665</b>	<b>2,613,372</b>	<b>2,665,385</b>

The notes on pages 26 to 42 form part of these accounts.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

The financial statements were approved and authorised for issue by the Trustees on 19 September 2023 and signed on their behalf.



R. Loveley  
Trustee



P. Humphrey  
Trustee



**Consolidated Statement of Cash Flows Year Ended 31 December 2022**

	Note	Total funds 2022 £	Prior year funds as restated 2021 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	<b>24</b>	<b>7,314</b>	<b>145,795</b>
<b>Cash flows from investing activities:</b>			
Interest from investments		816	562
Proceeds from the sale of property, plant and equipment		-	351
Purchase of property, plant and equipment		(17,430)	(34,538)
<b>Net cash provided by (used in) investing activities</b>		<b>(16,614)</b>	<b>(33,625)</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(58,146)	(65,182)
<b>Net cash provided by (used in) financing activities</b>		<b>(58,146)</b>	<b>(65,182)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(67,446)</b>	<b>46,988</b>
<b>Cash and cash equivalents at 1 January</b>		<b>571,491</b>	<b>524,503</b>
<b>Cash and cash equivalents at 31 December</b>		<b>504,045</b>	<b>571,491</b>
 <b>Analysis of cash and cash equivalents</b>			
		<b>Current Year 2022 £</b>	<b>Prior Year 2021 £</b>
Cash in hand		421,017	488,827
Notice deposits (less than 3 months)		83,028	82,664
<b>Total cash and cash equivalents at 31 December</b>		<b>504,045</b>	<b>571,491</b>

**ACCOUNTING POLICIES****1.1 General information**

King's Arms Trust (Bedford) Limited is a private company limited by guarantee (5899019), incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of its registered office and principal place of business is disclosed in the company information on page 3 of this Annual Report.

The principal objectives of the King's Arms Trust (Bedford) are that of the advancement of the Christian faith in the UK and overseas, the advancement for the public benefit of religious and other education including the relief of the aged, poor, sick and disabled. These are achieved through the main activities of the Trust;

- King's Arms Church – A vibrant church of around 1,300 adults, children and youth with numerous meetings and activities held, in-person, and on-line. The group also operates through KA Facilities (Bedford) Ltd – a wholly owned subsidiary company from within which a coffee shop and facilities rental are operated.
- KA Apostolic – the focus of the work of King's Arms Church in supporting leaders and churches in the UK and other nations.

The group consists of King's Arms Trust (Bedford) Limited and its subsidiary KA Facilities (Bedford) Ltd.

**1.2 Accounting convention and basis of preparation**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

There has been a change in presentation of the SOFA and Notes to ensure the accounts fully comply with the SORP (FRS102). The 2021 comparatives figures are now disclosed differently to those in the filed 2021 Financial Statements however there has been no change in total income or expenditure other than Prior Year Adjustments as disclosed in note 22.

The financial statements are prepared on a going concern basis under the historical cost convention. The Trustees believe the impact of the breach of the loan covenant as described in note 19 does not create a material uncertainty as the bank is unlikely to recall the loan as all monthly loan repayments have been made on time and the unrestricted cash reserves of £405K at the year-end sufficiently cover the loan repayments of £97k for 2023. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

**1.3 Basis of Consolidation**

The income and expenditure and assets and liabilities of King's Arms Trust (Bedford) and KA Facilities (Bedford) Limited are consolidated within these Group financial statements to reflect control. All amounts in respect of group balances and transactions have been eliminated in arriving at the group figures.

Under Section 408 of the Companies Act 2006 the charitable company is exempt from the requirement to present its own statement of financial activities. The surplus for the year with the accounts for the charitable parent company was £88,472 (2021: Surplus £3,334).

### 1.4 Funds

Unrestricted funds 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 note 22 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 cost 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 note 22 to the financial statements.

### 1.5 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Tax credits (gift-aid) are included in the financial statements on an accruals basis as recommended by the Statement of Recommended Practice. This means that tax credits are taken into account in the period in which the originating donation was made.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity received government grants in respect of the Coronavirus Job Retention Scheme (in 2021). Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Interest income is recognised using the effective interest method.

### 1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the costs of the trading subsidiary
- Expenditure on charitable activities includes all costs relating directly or indirectly to those activities

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

### 1.7 Allocation of costs

All costs including salaries and pensions are allocated directly to each activity as far as possible. Any shared support costs are allocated to King's Arms Church with a fixed cost being allocated to KA Facilities and KA Apostolic as agreed annually.

### 1.8 Pension costs

Pension costs in the financial statements represent contributions to employees' defined contribution pension plans.

### 1.9 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. There was no tax due on trading subsidiary profits as they were all paid via gift aid to the parent charity within required timescale.

### 1.10 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life, as follows:

Freehold land	not depreciated
Freehold buildings	2% straight line
Fixtures & fittings	4%-33% straight line
Motor vehicles	25% reducing balance

A Prior Year Adjustment, as described in note 15, has been made to the opening cost and depreciation balances at 1 January 2021 to reverse a valuation made incorrectly in 2016 which revalued Land and Buildings to a value of £2,700,000. Land and Buildings have been restated at cost less depreciation, with the original purchase price being split 50:50 between Land and Buildings with Land not subsequently depreciated and Buildings depreciated at 2% per annum from the purchase date. A further Prior Year Adjustment has been made correcting the Building depreciation charge in 2021.

As also described in note 15, there was a change in estimate of accumulated depreciation for Freehold Land and Buildings as at 31 December 2022 giving rise to an exceptional write back of depreciation in the year.

Tangible assets above £300 are capitalised.

**1.11 Stock**

Stock is held at the lower of cost and net realisable value.

**1.12 Debtors and creditors receivable / payable within one year**

Debtors (and creditors) with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**1.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1.14 Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the sum of digit method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**1.15 Operating leases**

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

**1.16 Judgments in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The key area of estimation and uncertainty is the depreciation of freehold land & building. Please refer to accounting policy 1.10 and note 15.

Year Ended 31 December 2022

**2 Comparative Consolidated Statement of Financial Activities**

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds 2021 as restated £	Restricted funds 2021 as restated £	Total funds 2021 as restated £
<b>Income from:</b>				
Donations	3	1,036,260	70,327	1,106,587
Charitable activities	4	79,387	53,229	132,616
Other trading activities	5	345,881	-	345,881
Investments	6	562	-	562
<b>Total income</b>		<b>1,462,090</b>	<b>123,556</b>	<b>1,585,646</b>
<b>Expenditure on:</b>				
Raising funds - trading activities		225,966	-	225,966
Charitable activities	7	1,183,890	114,650	1,298,540
<b>Total expenditure</b>		<b>1,409,856</b>	<b>114,650</b>	<b>1,524,506</b>
<b>Net income / (expenditure)</b>		<b>52,234</b>	<b>8,906</b>	<b>61,140</b>
<b>Transfer between funds</b>		<b>(14,489)</b>	<b>14,489</b>	<b>-</b>
<b>Net movement in funds</b>	22	<b>37,745</b>	<b>23,395</b>	<b>61,140</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward as restated	22	2,569,753	34,492	2,604,245
<b>Total funds carried forward</b>	22	<b>2,607,498</b>	<b>57,887</b>	<b>2,665,385</b>

**3 Income from donations**

	2022 £	2021 £
Gifts	1,118,073	1,106,587
<b>Total income from donations</b>	<b>1,118,073</b>	<b>1,106,587</b>

Income from donations was £1,118,073 (2021; £1,106,587) of which £172,422 (2021; £70,327) was attributable to restricted and £945,651 (2021; £1,036,260) was attributable to unrestricted funds.

Year Ended 31 December 2022

**4 Income from charitable activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>King's Arms Church</b>		
Performance related grants	8,000	65,706
Conferences, events and serving other churches	26,191	6,392
Training and coaching	3,564	32,043
Sale of books and media	364	171
<b>Total King's Arms Church</b>	<b>38,119</b>	<b>104,312</b>
<b>King's Arms Apostolic</b>		
Performance related grants	13,000	14,035
Conferences, events and serving other churches	24,594	10,369
Training and coaching	720	3,900
<b>Total King's Arms Apostolic</b>	<b>38,314</b>	<b>28,304</b>
<b>Total income from charitable activities</b>	<b>76,433</b>	<b>132,616</b>

Income from charitable activities was £76,433 (2021; £132,616) of which £46,314 (2021; £53,229) was attributable to restricted and £30,119 (2021; £79,387) was attributable to unrestricted funds.

No government grants were received in the year, those received in the prior year 2021 of £42,194 were for the Coronavirus Job Retention Scheme.

**5 Income from other trading activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Coffee Shop sales (counter and catering)	199,710	73,291
Room and equipment hire	287,213	241,536
Office rentals	31,973	28,803
Consulting fees	3,586	2,000
Other	672	251
<b>Total income from other trading activities</b>	<b>523,154</b>	<b>345,881</b>

All income from trading activities was attributable to unrestricted funds.

**6 Income from investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest - deposit accounts</b>	<b>816</b>	<b>562</b>

All income from investments was attributable to unrestricted funds.

Year Ended 31 December 2022

**7 Analysis of expenditure on charitable activities**

Charitable activities 2022	Activities undertaken directly	Support Costs	Total
	£	£	£
King's Arm Church	1,030,266	152,398	1,182,664
KA Apostolic	108,459	7,711	116,170
<b>Total</b>	<b>1,138,725</b>	<b>160,109</b>	<b>1,298,834</b>

Charitable activities 2021	Activities undertaken directly	Support Costs	Total
	£	£	£
King's Arm Church	921,382	296,802	1,218,184
KA Apostolic	76,800	3,556	80,356
<b>Total</b>	<b>998,182</b>	<b>300,358</b>	<b>1,298,540</b>

£190,525 (2021; £114,650) of the above costs were attributable to restricted funds. £1,108,309 (2021; £1,183,890) of the above costs were attributable to unrestricted funds.

**8 Allocation of support costs**

Support costs 2022	King's Arms Church	KA Facilities	KA Apostolic	Total
	£	£	£	£
Central costs including governance	20,837	-	4,155	24,992
Building usage	131,561	24,000	3,556	159,117
<b>Activity Total</b>	<b>152,398</b>	<b>24,000</b>	<b>7,711</b>	<b>184,109</b>

Support costs 2021	King's Arms Church	KA Facilities	KA Apostolic	Total
	£	£	£	£
Central costs including governance	17,495	-	-	17,495
Building usage	279,307	24,000	3,556	306,863
<b>Activity Total</b>	<b>296,802</b>	<b>24,000</b>	<b>3,556</b>	<b>324,358</b>

**Basis of allocation; -**

All costs including salaries and pensions are allocated directly to each activity as far as possible. Any shared support costs are allocated to King's Arms Church with a fixed cost being allocated to KA Facilities and KA Apostolic as agreed annually.



Year Ended 31 December 2022

**9 Governance costs**

	Note	2022	2021
		£	£
Trustee expenses	12	1,890	1,465
Auditor's remuneration	11	12,302	15,130
Consultancy		10,800	-
Legal fees		-	900
<b>Total governance costs</b>		<b>24,992</b>	<b>17,495</b>

**10 Net income / (expenditure) for the year**

Net income / (expenditure) is stated after charging / (crediting):

	Note	2022	2021
		£	£
Depreciation of tangible fixed assets	15	(74,419)	90,509
(Gain) / loss on sale of tangible fixed assets	24	-	(30)
Operating lease rentals	20	5,690	4,000

Please see Note 15 for further details on the exceptional write back of depreciation as a result in the change in estimate relating to the net book value of land and buildings.

**11 Auditor's remuneration**

	King's Arms Trust 2022	King's Arms Group 2022	King's Arms Trust 2021	King's Arms Group 2021
	£	£	£	£
Audit fees	11,802	11,802	15,180	15,180
Non-audit services	-	500	-	(50)
<b>Total</b>	<b>11,802</b>	<b>12,302</b>	<b>15,180</b>	<b>15,130</b>

## 12 Trustees and key management remuneration and expenses

Trustees' remuneration during the year was £112,535 (2021: £125,415) being the total remuneration package for two Trustees employed by the King's Arms Trust (Bedford) for services provided under employment contracts. Paul Johnson resigned as a trustee on 4 October 2022, the figures below only include his remuneration up to the date of his resignation.

Trustee	Role	2022		2021	
		Salary £	Pension £	Salary £	Pension £
Paul Johnson	Pastoral Elder	33,500	2,848	48,128	4,091
Simon Holley	Lead Elder	70,218	5,969	67,462	5,734
<b>Total</b>		<b>103,718</b>	<b>8,817</b>	<b>115,590</b>	<b>9,825</b>

Trustee remuneration is paid in accordance with the Trust Memorandum & Articles of Association for services provided to the Trust. Trustee expenses were reimbursed to four (2021: three) Trustees during the year totaling £1,890 (2021: £1,465) being food and travel costs.

Key management personnel for the group is considered to be the Board of Trustees and the Strategic Leadership Team. Total remuneration and benefits (including employer pension contributions) of key management personnel during the year were £361,979 (2021; 353,839).

## 13 Staff costs and employee benefits

	2022 £	2021 £
Salaries and wages	986,021	909,076
Social security costs	76,993	72,882
Pension	69,945	65,701
<b>Total</b>	<b>1,132,959</b>	<b>1,047,659</b>

The average number of persons employed by the Group during the year was 64 (2021: 58).

The number of employees whose total employee benefits (excluding employer pension costs) for the year within the band £70,000 to £80,000 was one (2021: within the band £60,000 to £70,000 was one).

During the year defined contribution pension costs of £69,945 (2021: £65,701) were paid on behalf of 44 (2021: 50) employees to pension schemes administered independently of the charitable company.

The Trust also provides a group life insurance scheme as an additional benefit available to all staff, the cost in the year was £3,216 (2021; £3,093)

## 14 Interest payable

	2022 £	2021 £
<b>Bank loans</b>	<b>25,805</b>	<b>18,772</b>

Year Ended 31 December 2022

**15 Fixed assets****Tangible fixed assets**

Group and Charity	Freehold land & buildings £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
As at 1 January 2022 (restated)	3,067,507	430,342	7,414	3,505,263
Additions	-	17,430	-	17,430
Disposals	-	(659)	-	(659)
<b>Cost at 31 December 2022</b>	<b>3,067,507</b>	<b>447,113</b>	<b>7,414</b>	<b>3,522,034</b>
<b>Depreciation</b>				
As at 1 January 2022 (restated)	436,349	280,315	4,743	721,407
Charge for the year	(118,842)	43,755	668	(74,419)
Disposals	-	(659)	-	(659)
<b>Depreciation at 31 December 2022</b>	<b>317,507</b>	<b>323,411</b>	<b>5,411</b>	<b>646,329</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>2,750,000</b>	<b>123,702</b>	<b>2,003</b>	<b>2,875,705</b>
At 31 December 2021 (restated)	2,631,158	150,027	2,671	2,783,856

The estimate for the accumulated depreciation for Freehold Land and Buildings as at 31 December 2022 has been revised due to a RICS valuation report. This change in estimate has resulted in an exceptional item of a write back in depreciation of £118,842 in the year. Had there been not been a change in estimate the depreciation charge on Land and Buildings would have been £45,641. The impact of this change in estimate in current period is therefore a decrease in depreciation of £164,484, and an increase the net book value of Land and Buildings by £164,483 which will be carried forward into future years. The future impact of the change in estimate is also to increase the annual depreciation charge by £11,870 per year.

Prior Year Adjustments have been made as per the 2021 figures restated below to reverse a valuation adjustment made incorrectly in 2016 that was contrary to the accounting policy which is to state fixed assets at cost. The 2016 valuation adjustment incorrectly revalued Land and Buildings to a cost of £2,700,000, which was split 50:50 between Land and Buildings at that time. Land was not subsequently depreciated and Buildings were depreciated at 2% per annum thereafter.

- the opening cost figures for 2021 have been increased by £28,965 to reverse the 2016 valuation and reinstate the original costs, with only the original purchase value of the property in 2010 being split 50:50 between Land and Buildings, with Land not being depreciated and Buildings being depreciated at 2% per annum thereafter.
- the opening depreciation figures for 2021 have been increased by £267,776 to reflect the annual 2% depreciation charge on the original purchase price of the Buildings in 2010 and the cost of all subsequent additions to the end of 2020, for further details please see the table below.
- the depreciation charge for the year 2021 has been recalculated to 2% on the original cost of the Building and all subsequent additions to the end of 2021, which has given rise to an additional depreciation charge for the year of £11,870.

Additions and depreciation charges for 2021 have also been adjusted to reclassify the purchase cost of Solar Panels in 2021 of £20,000 as Fixtures & Fittings, rather than Land & Buildings, together with their associated depreciation charge of £600.

The Prior Year Adjustment and the restated 2021 Tangible fixed asset figures are set out in the table below.

Year Ended 31 December 2022

**2021 Tangible fixed assets figures restated**

Group and Charity	Freehold land & buildings £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
As at 1 January 2021	3,038,542	400,863	7,414	3,446,819
Prior year adjustment	28,965	-	-	28,965
Additions	20,000	14,538	-	34,538
Additions reclassified	(20,000)	20,000	-	-
Disposals	-	(5,059)	-	(5,059)
<b>Cost at 31 December 2021 (restated)</b>	<b>3,067,507</b>	<b>430,342</b>	<b>7,414</b>	<b>3,505,263</b>
<b>Depreciation</b>				
As at 1 January 2021	122,932	241,076	3,852	367,860
Prior year adjustment	267,776	-	-	267,776
Charge for the year as originally stated	34,371	43,377	891	78,639
Additional charge for the year	11,870	-	-	11,870
Charge for the year reclassified	(600)	600	-	-
Disposals	-	(4,738)	-	(4,738)
<b>Depreciation at 31 December 2021 (restated)</b>	<b>436,349</b>	<b>280,315</b>	<b>4,743</b>	<b>721,407</b>
<b>Net book value</b>				
<b>At 31 December 2021 (restated)</b>	<b>2,631,158</b>	<b>150,027</b>	<b>2,671</b>	<b>2,783,856</b>

**16 Stock**

	King's Arms Trust 2022 £	King's Arms Group 2022 £	King's Arms Trust 2021 £	King's Arms Group 2021 £
Books and media	-	-	1,378	1,378
Food and drinks	-	2,088	-	2,296
<b>Total</b>	<b>-</b>	<b>2,088</b>	<b>1,378</b>	<b>3,674</b>

**17 Debtors**

	King's Arms Trust 2022 £	King's Arms Group 2022 £	King's Arms Trust 2021 £	King's Arms Group 2021 £
Trade debtors	17	30,749	1,059	33,796
Prepayments and accrued income	45,711	45,712	35,681	35,681
Other debtors	5,568	3,190	1,847	22
<b>Total debtors</b>	<b>51,296</b>	<b>79,651</b>	<b>38,587</b>	<b>69,499</b>

Year Ended 31 December 2022

### 18 Creditors falling due within one year

	King's Arms Trust 2022 £	King's Arms Group 2022 £	King's Arms Trust 2021 £	King's Arms Group 2021 £
Bank loan	63,438	63,438	68,325	68,325
Trade creditors	9,148	10,962	24,425	25,157
Accruals and deferred income	26,040	26,289	20,538	22,446
Taxation and social security	-	28,037	-	16,248
Other creditors	19,566	25,074	6,069	8,676
<b>Total creditors</b>	<b>118,192</b>	<b>153,800</b>	<b>119,357</b>	<b>140,852</b>

### 19 Creditors due after one year

	King's Arms Trust 2022 £	King's Arms Group 2022 £	King's Arms Trust 2021 £	King's Arms Group 2021 £
Bank loan	569,024	569,024	622,283	622,283
<b>Total creditors due after one year</b>	<b>569,024</b>	<b>569,024</b>	<b>622,283</b>	<b>622,283</b>

The original bank loan was taken out with Unity Trust in December 2009 on the purchase of the Church building and offices (King's House). A further loan was taken out in December 2010 for the refurbishment of King's House. Both loans were consolidated into one loan in March 2019, repayable in monthly installments over a period of 12 years. The building is held as security against the loan. At the year end the company was in breach of the loan covenant which requires the EBITDA for any accounting period of 12 months to not be less than 130% of the Total Debt Service for the same period. In 2022 the EBITDA was £39,859 whereas 130% of Total Debt Service for same period was £109,135. The total amount repayable is noted below.

	King's Arms Trust 2022 £	King's Arms Group 2022 £	King's Arms Trust 2021 £	King's Arms Group 2021 £
The loan capital is repayable as follows:				
<b>Amounts falling due:</b>				
In one year or less, or on demand	63,438	63,438	68,325	68,325
Between two and five years	291,050	291,050	288,928	288,928
In five years or more	277,974	277,974	333,355	333,355
	<b>632,462</b>	<b>632,462</b>	<b>690,608</b>	<b>690,608</b>

### 20 Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	King's Arms Trust 2022 Other £	King's Arms Group 2022 Other £	King's Arms Trust 2021 Other £	King's Arms Group 2021 Other £
Expiring within one year	3,096	3,096	2,731	2,731
Between 1 – 5 years	9,692	9,692	-	-

The total operating lease expense for the year was £5,690 (2021: £3,976).

# NOTES TO THE FINANCIAL STATEMENTS KING'S ARMS TRUST (BEDFORD)

Year Ended 31 December 2022

## 21 Deferred income

	King's Arms Trust 2022 £	King's Arms Group 2022 £	King's Arms Trust 2021 £	King's Arms Group 2021 £
At 1 January	3,365	3,365	21,851	21,851
Received during the year	7,613	7,613	3,365	3,365
Released to income for the year	(3,365)	(3,365)	(21,851)	(21,851)
<b>At 31 December</b>	<b>7,613</b>	<b>7,613</b>	<b>3,365</b>	<b>3,365</b>

## 22 Movement in funds

Movement in funds 2022	At 1 January 2022 as reported	Prior year adjustment 1	Prior year adjustment 2	At 1 January 2022 as restated	Income	Expenditure	Transfers	At 31 December 2022
	£			£	£	£	£	£
<b>Unrestricted funds</b>								
General church funds	410,109	-	-	410,109	972,658	(1,059,604)	17,558	340,721
TSM	10,494	-	-	10,494	3,564	(5,493)	(493)	8,072
Events	23,142	-	-	23,142	-	(3)	(23,139)	-
KA Media	3,596	-	-	3,596	364	(1,466)	244	2,738
King's House	-	(11,870)	2,120,014	2,108,144	31,973	(41,743)	158,078	2,256,452
KA Facilities	52,013	-	-	52,013	491,181	(346,362)	(160,012)	36,820
<b>Total unrestricted funds</b>	<b>499,354</b>	<b>(11,870)</b>	<b>2,120,014</b>	<b>2,607,498</b>	<b>1,499,740</b>	<b>(1,454,671)</b>	<b>(7,764)</b>	<b>2,644,803</b>
<b>Restricted funds</b>								
King's Arms Church	-	-	-	-	91,949	(62,754)	(8,000)	21,195
King's House	2,358,825	(238,811)	(2,120,014)	-	31,601	(11,601)	-	20,000
KA Apostolic	57,887	-	-	57,887	95,186	(116,170)	15,764	52,667
<b>Total restricted funds</b>	<b>2,416,712</b>	<b>(238,811)</b>	<b>(2,120,014)</b>	<b>57,887</b>	<b>218,736</b>	<b>(190,525)</b>	<b>7,764</b>	<b>93,862</b>
<b>Total funds</b>	<b>2,916,066</b>	<b>(250,681)</b>	<b>-</b>	<b>2,665,385</b>	<b>1,718,476</b>	<b>(1,645,196)</b>	<b>-</b>	<b>2,738,665</b>

Unrestricted funds comprise general church funds 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

Unrestricted designated funds comprise unrestricted funds that have been set aside by the trustees for the following purposes; -

- King's House is a fund designated by the trustees to account for money generated by and spent on the building and to also ensure funds are available for the running costs of the building.
- KA Facilities the wholly owned subsidiary company, the profits of which are gift aided to the King's House.
- TSM (Training for Supernatural Ministry) ceased operating during the year however the balance of funds remain separately designated to be used for future training programmes.
- Events ceased operating during the year and the remaining funds were transferred to general church funds.
- KA Media which continues but at a very low level.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors as follows; -

- Church which comprises donations and grants given for specific purposes from donors including those as a result of the Vision offering annual appeal which include activities such as the Friday Night Meeting, Re-Track and the new Blunham location, supporting missionaries overseas, aid to Ukraine and assisting King's Arm Project.
- King's House which comprises donations and grants given for specific purposes from donors including those as a result of the Vision offering annual appeal for both the general running costs of the building and for specific building and maintenance projects as identified by the trustees
- KA Apostolic which comprises donation and grants given for specific purposes of supporting leaders and churches in the UK and other nations

Transfers include the following:

- Transfers of the gift aid/distribution from the trading subsidiary to the King's House (designated) fund.
- Donations made from Church funds to KA Apostolic.
- Other minor transfers made between funds in the year.

### **Prior Year Adjustment 1**

As described in Note 15, a Prior Year Adjustment has been made in respect of Land and Buildings resulting in a net decrease of £238,811 in the King's House fund as at 1 January 2021.

This has also given rise to a restated depreciation charge in 2021, increasing costs by £11,870 as reflected above.

### **Prior Year Adjustment 2**

A Prior Year Adjustment of £2,120,014 has been made in 2021 reclassifying any funds from restricted to designated where all donor restrictions were either fulfilled on the original purchase of the building or subsequent improvements or where funds intended as designated by the trustees had been incorrectly classified as restricted.

The trustees also now recognise that those funds should have subsequently been classified as designated. The designated King's House building fund therefore includes funds originally given as restricted together with the surplus of money generated by and spent on the building. These funds have been designated to ensure funds are available for the future running costs of the building.

The restricted King's House building fund comprises donations and grants given for specific purposes from donors including those as a result of the Vision offering annual appeal for both the general running costs of the building and for specific building and maintenance projects as identified by the trustees.

# NOTES TO THE FINANCIAL STATEMENTS KING'S ARMS TRUST (BEDFORD)

Year Ended 31 December 2022

## 23 Analysis of net assets between funds

2022	Tangible fixed assets	Stock	Debtors	Cash at bank and in hand	Creditors	Creditors more than one year	Total net assets
	£	£	£	£	£	£	£
<b>Unrestricted funds</b>							
General church funds	-	-	43,946	313,811	(17,036)	-	<b>340,721</b>
TSM	-	-	-	8,072	-	-	<b>8,072</b>
KA Media	-	-	17	2,721	-	-	<b>2,738</b>
King's House	2,875,705	-	1,050	38,689	(89,968)	(569,024)	<b>2,256,452</b>
KA Facilities	-	2,088	30,732	41,986	(37,986)	-	<b>36,820</b>
<b>Total unrestricted funds</b>	<b>2,875,705</b>	<b>2,088</b>	<b>75,745</b>	<b>405,279</b>	<b>(144,990)</b>	<b>(569,024)</b>	<b>2,644,803</b>
<b>Restricted funds</b>							
King's Arms Church	-	-	-	21,195	-	-	<b>21,195</b>
King's House	-	-	-	20,000	-	-	<b>20,000</b>
KA Apostolic	-	-	3,906	57,571	(8,810)	-	<b>52,667</b>
<b>Total restricted funds</b>	<b>-</b>	<b>-</b>	<b>3,906</b>	<b>98,766</b>	<b>(8,810)</b>	<b>-</b>	<b>93,862</b>
<b>Total funds</b>	<b>2,875,705</b>	<b>2,088</b>	<b>79,651</b>	<b>504,045</b>	<b>(153,800)</b>	<b>(569,024)</b>	<b>2,738,665</b>

2021	Tangible fixed assets	Stock	Debtors	Cash at bank and in hand	Creditors	Creditors more than one year	Total net assets
	as restated £	as restated £	as restated £	as restated £	as restated £	as restated £	as restated £
<b>Unrestricted funds</b>							
General church funds	-	-	24,441	418,751	(33,083)	-	410,109
TSM	-	-	-	10,822	(328)	-	10,494
Events	-	-	-	23,142	-	-	23,142
KA Media	-	1,378	-	2,218	-	-	3,596
King's House	2,783,856	-	12,042	14,015	(79,486)	(622,283)	2,108,144
KA Facilities	-	2,296	32,758	40,300	(23,341)	-	52,013
<b>Total unrestricted funds</b>	<b>2,783,856</b>	<b>3,674</b>	<b>69,241</b>	<b>509,248</b>	<b>(136,238)</b>	<b>(622,283)</b>	<b>2,607,498</b>
<b>Restricted funds</b>							
KA Apostolic	-	-	258	62,243	(4,614)	-	57,887
<b>Total restricted funds</b>	<b>-</b>	<b>-</b>	<b>258</b>	<b>62,243</b>	<b>(4,614)</b>	<b>-</b>	<b>57,887</b>
<b>Total funds</b>	<b>2,783,856</b>	<b>3,674</b>	<b>69,499</b>	<b>571,491</b>	<b>(140,852)</b>	<b>(622,283)</b>	<b>2,665,385</b>

The comparative analysis of net assets between funds for 2021 have been restated in the table above to reflect the prior year adjustments as described in notes 15 and 22.



**24 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	Current Year	Prior Year
	2022	2021
	£	£
<b>Net income for the reporting period (as per the Consolidated Statement of Financial Activities)</b>	<b>73,280</b>	<b>61,140</b>
<b>Adjustments for:</b>		
Depreciation charges	(74,419)	90,509
Interest from investments	(816)	(562)
Loss / (profit) on the sale of fixed assets	-	(30)
(Increase) / decrease in stocks	1,586	(413)
(Increase) / decrease in debtors	(10,152)	13,416
Increase / (decrease) in creditors	17,835	(18,265)
<b>Net cash provided by operating activities</b>	<b>7,314</b>	<b>145,795</b>

**25 Analysis of changes in debt**

	At start of year	Cash-flows	New finance leases	At end of year
	£	£	£	£
Cash	571,491	(67,446)	-	504,045
Loans falling due within one year	(68,325)	4,887	-	(63,438)
Loans falling due after one year	(622,284)	53,260	-	(569,024)
Finance lease obligations	(4,269)	4,269	(12,788)	(12,788)
<b>Total</b>	<b>(123,387)</b>	<b>(5,030)</b>	<b>(12,788)</b>	<b>(141,205)</b>

**26 Related party transactions**

KA Facilities (Bedford) Limited is a wholly owned subsidiary of the charity and as such has taken advantage of the exemptions conferred by FRS102 section 33 Related Party Disclosures to not disclose transactions within the group.

King's Arms Trust (Bedford) provides key management to the charity Catalyst, a network of churches to which the Trust belongs. Catalyst is therefore defined as a related party to the Trust. During the year, the Trust donated £8,000 (2021: £16,700) to Catalyst to support their activities. It also received income of £16,300 (2021: £12,622) from Catalyst of which £13,000 (2021: 12,622) were grants received in respect of the Trust providing key management. Expenses of £2,055 (2021: £700) were paid to Catalyst.

The total amount of aggregate donations received without conditions by all key management personnel and close family members defined as related parties were £86,804 (2021: 78,128).

## 27 Trading Subsidiary

The wholly owned subsidiary undertaking is KA Facilities (Bedford) Limited (company number 8314420), a company which is limited by guarantee and registered in England and Wales. The registered office is the same as that of King's Arms Trust (Bedford). It will gift aid its taxable profits to suitable charities as agreed by the Trustees. A summary of its trading results is shown below.

	Year ended 31 December 2022	Year ended 31 December 2021 as restated
	£	£
<b>Turnover</b>	<b>510,336</b>	<b>328,771</b>
Cost of Sales	(74,181)	(31,104)
<b>Gross Profit</b>	<b>436,155</b>	<b>297,667</b>
Administrative expenses	(291,335)	(194,862)
<b>Operating profit</b>	<b>144,820</b>	<b>102,805</b>
<b>Profit on ordinary activities before tax</b>	<b>144,820</b>	<b>102,805</b>
Tax	-	-
Gift Aid distribution	(160,013)	(45,000)
<b>Net movement in reserves</b>	<b>(15,193)</b>	<b>57,805</b>
<b>Net assets</b>	<b>36,820</b>	<b>52,013</b>

## 1. IMPACT

### Alpha

The Alpha course continues to go from strength to strength each year at King's Arms in line with the world-wide Alpha ministry. Alpha gives people the opportunity to explore the Christian faith, and new Christians the chance to lay some foundations on the credible evidence of the faith in a relaxed and engaging environment, with significant opportunity for making new friends and asking questions.

### Prison Ministry (Inside Out)

2022 saw us able to get back into the prison as a group on a regular basis, after all the restrictions of the Covid pandemic. We lead a Sunday service in the Chapel once a month, with worship, prayers, Bible readings, a talk, and time for individual prayer ministry. Our team spend time before and after the service talking with the men who attend, offering a listening ear, friendly conversation and prayer if wanted. We also have a weekly Bible study in one of the wings, and we continue to support the work of the Chaplaincy wherever possible. Outside of the prison our group meets fortnightly to pray for the prison and the people we have met there.

### King's Playhouse

King's Playhouse runs in term time every Wednesday morning from 10:00-11:30. Over the year the group has seen growth and stability in team and those attending. The team has grown from a core of 5, to (with flexibility) 8. Our contact list has grown by 20% and we have 60 - 80 children and carers attending each week. With the weekly sessions, and hugely successful Christmas and Summer events, both seeing over 100 people in attendance, we have been able to share prayer, church events, support and advice to those in our community raising the next generation.



### Prayer

In 2022 we endeavoured to respond to the growing and diverse needs of our church community by providing opportunities both to partake in and receive prayer. We ran some prayer and worship nights which were well attended, and we continued our daily devotional emails to over 200 people encouraging their daily walk with God in prayer. A prayer request and testimony form is available on the website and over 40 people responded in 2022, many of whom we've been able to provide with ongoing prayer and pastoral support whether they are from our church community or not. We now run three weekly prayer Zooms, as well as monthly prayer Zooms for missionaries across the world. Our "Crossover" service on New Year's Eve was one of the busiest of the year and celebrated the diversity that we now enjoy at King's Arms, and we were grateful to be able to pray for teenagers.

### The Well

This provides afternoon tea for the retired generation. We now regularly see around 30 people each month, with new people joining each time. Wendy Miller has taken over the leadership and is building a strong team of volunteers who gather to pray for The Well each month, as well as serving on the day.

### Design & Communications

Staff changes during the year included Josh John, who previously led the team, stepping into a new role as Worship Team Pastor at the beginning of the year, while continuing to work one day a week within the team. Daisy Douglas is now the team leader, working 3.5 days a week. Additionally, we added an in-house graphic designer, Jon Marfleet doing 3 days a week. Gareth Squance continues to make most of our videos.

One of our highlights from the year was creating a new Joining King's Arms booklet for newcomers to the church. Another big win was updating all our outdoor signage with our new logo and branding. Amongst many other projects, we have also refreshed our website and revamped the social media posts. We are excited to continue to serve the church and those in and around our community with excellence and to keep all our creative projects fresh, inspiring and life-giving, and most importantly pointing to Jesus.

### Other Events

Every year we invest in community events which aim to provide a context for fun whilst also building strong connections with our locality and pointing people to the life and connection with God available through Jesus. This last year these included special events with guest speakers like Carl Beech and a Christmas Banquet serving the retired generation. These are in addition to our usual special congregational moments where we celebrate Christmas, Easter and Baptisms.

**2. CONNECT**

The Connect team is led by Sue Smith and is responsible for our Sunday Services, King’s Kids and worship.

**Sunday Services**



Throughout the year we enjoyed more “normal” post-pandemic meetings in our three congregations, meeting each Sunday at 9:30am (King’s House), 10:30am (University) and 11:30am (King’s House) with growing numbers showing greater confidence in returning to larger gatherings. We also continued to provide online provision for those wanting to connect in this way, initially through a pre-recorded programme each week which transitioned later in the year to the launch of a livestream of our 11:30 am meeting. Livestream offers a way for those with health concerns to connect with Sunday gatherings as well as members of the community who may be away for the weekend.

We have seen steady growth both in the numbers of people returning post-pandemic and in new people connecting to our Sunday gatherings with the final quarter of the year seeing a weekly average attendance of 431 adults connecting to in person meetings and around 40 connecting online each week. A real sense of community and serving has been growing throughout the year, alongside seeing many encouraged through prayer and prophetic ministry.



**King’s Kids**



Throughout the year King’s Kids met during each of the three church meeting locations on a Sunday morning. The sessions run for 1.5 hours and involve the children with singing, hearing Bible teaching, craft activities and playing games. Across the three church meeting locations approximately 140-160 children attend, with over 90 volunteers working in rota.

During the Spring and Summer terms we ran a discipleship group after school once a fortnight for children aged 8-11. In the autumn term we added a group for children aged 5-7 and a parents’ group running alongside them. Once a month there is a kids’ social with different focus each time, including games nights, movie nights and nerf gun games. These are often attended by over 30 children.

Over the year we ran three family fun afternoons: at Easter, in the summer and at Christmas. These involved bouncy castles, farm animals, craft stations and games for all the family to enjoy. These were open to the local community and our Christmas session saw over 200 people attend with about half of the attendees being from the community. In October, we held a lightparty event on Halloween where we had about 170 children and parents attend. The families were involved in fun games as well as hearing a short talk and having a time of singing.



**Worship**

The worship team, consisting of our musicians and sound engineers, continued to faithfully serve the King’s Arms community throughout the year, and we’ve seen fresh momentum imparted to the team. The worship team served the church across both physical locations and also learnt to adapt to the launch of the 11.30am live stream at King’s House. 2022 was a year of making further gains in the areas of community and saw the team continue to grow with new musicians and vocalists integrated into the team. Another key development as a team is seeing greater diversity within the team and the songs we sing, ensuring we are making progress in being a team that reflects the diverse make-up of our church family.

### 3. COMMUNITY

#### Group Life: Life Groups, Missional Communities and Equip Groups

It has been an exciting year for Group Life. We average around 55 Missional Communities, Life Groups and Equip Groups. The slowdown during the Covid pandemic is now well over, and groups are well re-established in the life of the church.



We have Life Groups run by a wide demographic of people, doing life together and seeking to bring a place of rest in a busy world. We have groups that cater for young and older generations, those who want a more family feel, and then those who'd like to get into community in a deeper manner. We have groups that seek to meet the needs of men and women, meeting at all times of the day and week! We have seen this area of groups grow as people seek deeper connection with community and with each other. Missional communities are seeking to bring the kingdom in different contexts: seeking to reach specific neighbourhoods, providing meals for the lonely, in the prison, Yarls Wood detention centre, praying for sex workers, and supporting medical and teaching professionals. Equip Groups remained steady in number and variety this year. They have included a marriage support course, Bible studies, prayer groups, pastoral groups such as "Still I Rise" and Discipleship Making Training.

Our groups have adopted a half-yearly rhythm where we open "sign up" for two weeks at the beginning of each half year. We make this the focus of church life during this period and encourage people to access the groups via the website. This means we can maximise the opportunity to get as many people connected as possible. This rhythm allows groups to run for half a year only, if they wish, giving leaders the freedom to run a group for a limited period, as well giving the whole church the opportunity to try different groups throughout the year. We have around 25% new groups each cycle, with a similar percentage of groups stopping.

#### Belong

After 6 years of running Belong and developing the King's Arms Joining Course, Charlene Frammingham handed over the baton to Lou Saunders at the start of the year. Two Joining Courses were held during 2022, with the second being a family affair, including children on a Sunday afternoon. Feedback was positive, as it enabled people to come straight after church, spend time with each other over food, and learn about the cultures and history of King's Arms. The Belong Group continues to meet on Monday evenings and remains open to new members all year so that newcomers can quickly start to meet other church members and get involved in group life. Various King's Arms leaders attend from time to time to speak to the group, so that the culture and ethos of the church are communicated, and new people can get to know the leaders.



#### Safeguarding

A rewrite of the Safeguarding policy and procedure, identifying best practice, and then training staff and volunteers was completed. An independent review of Safeguarding at King's Arms occurred during the year, with an external professional reviewing all aspects of Safeguarding. The review was very positive about our policy and procedures, but with several recommendations, the majority of which have been implemented. It is planned to undertake similar reviews every three years to ensure that we are up to date with the latest national advice on safeguarding. The recommendations included making sure that an annual review of the Safeguarding procedures for each part of the church is completed, and that King's Kids and Youth have child-friendly welcome booklets that explain what a new young person can expect from their time with us.

**Youth**

King’s Arms Youth saw a lot of change at the start of 2022 with a transition of leadership, as Lauren Wilthew stepped up to oversee Youth in April and Matt Knapp started leading the 15-18s in May. We began meeting together again on Wednesday nights as a youth group with the 11-14s and 15-18s breaking out into separate groups. With Covid restrictions no longer in place we have been able to meet regularly, connect with one another and reform our foundations as a youth group. On Wednesdays we see around 60 young people each week, this is a mixture of church families and friends from school. We also run a sixth form group once a month which regularly sees 10-15 young people attending.



On Sundays we run youth for 11-14s at all our locations and services during school terms. Around 65 young people attend including some of our 15-18s who join us as ‘young leaders’. It has been amazing to see and develop some of our future leaders.

In August we attended Newday, a youth festival run by newfrontiers. We took 81 young people, supported by a team of 15 leaders and helpers. The week was filled with fun, encounters with God and multiple salvations. It was amazing to see so many young people from the different Sunday locations connect with one another and many precious friendships were formed that have continued throughout the year.

In November we went away for a weekend with 70 young people to the Grafham Water Centre where we worshipped, learned about God together, and had fun as a youth family with activities such as high ropes, archery and canoeing. Many precious memories were made. One of the highlights was on Saturday evening when 60 young people responded to wanting to lay their lives down afresh to live for God, they came and knelt at the front of the room and were prayed for.

There have been many things to celebrate this year. God has been so faithful to us as a youth group. We have seen healings, salvations and 18 of our young were baptised during the year. God is so good and so, so faithful.



## 4. PASTORAL

Looking back, 2020 and 2021 were predominantly about navigating the shifting demands and impacts of caring for people in a pandemic. 2022 saw a shift away from urgent **response to rebuilding**. In broad terms the year was largely about helping people process the practical and psychological after-effects of the Covid pandemic. It was about coming to terms with loss and learning about restoration. To this end as a community of pastoral staff and volunteers we gave our time and energies into a number of different areas.

### Pastoral 'Catch-Up' Sessions.

Loneliness and isolation are two unsurprising experiences in much of the population. In response to this we increased the number of Pastoral 'Catch-Up' sessions offered to those from the wider church community. These are times when anyone can book a session through the church website to chat on Zoom or in 3D! It's an opportunity to talk, process and off-load. While these aren't counselling sessions, we are in the fortunate position that all those taking the sessions are qualified counsellors who can use their skills and experience to help a wide range of people. For those who need more ongoing support we have a list of local counsellors we can refer people to and sometimes match-fund the costs where there is a need.

**Almost half (45%) of the UK population had felt anxious or worried in the previous two weeks, which rose to 64% of respondents who have a pre-existing mental health condition.**

### Practical help/ Care Fund

A listening ear is always welcome but sometimes practical help is what's needed. So 2022 saw the team and volunteers rolling up their sleeves for a number of different needs. We pitched in with food shopping, taking funerals and catering for wakes, meal rotas, hospital visits, and helping a single mum move house. Most of these activities aren't even registered or recorded centrally, they're just seen as what you do for one another in a church family. Once again, our 'Care Fund' was used to help buy food, clothing and everyday essentials when people fell on hard times. Knowing that Covid was likely to result in financial hardship for many we increased our fund.

### Psychological Impact of the Covid Pandemic

Whilst for most in 2022 life returned to a semblance of normality the psychological impact was still very real. Consequently, we deliberately focused on equipping staff and volunteers to operate in an environment where collective trauma is present. This included:

- Two of the team running training on stress and burnout at a national church leader's event.
- Training church staff on Psychological Safety. (Trauma-informed training is planned in 2023).
- Using our "Pastoral Hub" volunteer evenings to upskill around emotional fatigue and stress.
- Our Living Through Illness group continued to serve those continuing to isolate and those with chronic illnesses, just as it has done for the past 11 years.

### Refusing to change the subject

Whilst it's important to respond to shifting circumstances and current events we also recognise that there's power in refusing to change the subject. Back in 2019, after a day of prayer and reflection as a team, we felt that we needed to focus on 3 particular areas. Now, nearly 4 years later we still don't want to change the subject. If anything, those areas seem more relevant and urgent than they did before Covid. They are:

#### 1. Mental Health and Well Being.

We continued to run practical, "bite-sized" evenings on Zoom for those who are struggling with their mental health or simply want to be better informed. The advantage of on-line sessions is that they enable people who may have medical issues or social anxiety to participate. Additionally, we continued to share best practice and support one another through our **Counselling Network**. At the last count we had 21 people either qualified or part qualified as counsellors. This gives a great environment for upskilling one another and for mutual support to make our work more sustainable.

#### 2. Marriage Support.

The past few years have been extremely tough on many relationships. Our team has run practical, accessible evenings which continue to grow in popularity. Topics included Conflict Resolution and

Communication, Top Tips for a Healthy Marriage and Planning for your Marriage. The evening on **“How to apologise well”** looking at the different types of apology and how to “own” an apology provoked a lot of conversation!

### 3. Racial Integration

Churches like so many groups in our society must stubbornly refuse to change the conversation when it comes to race. Fortunately, in such a diverse church family we have many courageous and gifted people who can help us try to move

forward. In practical terms we moved our recovering from racial abuse course (**Still I Rise**) from pilot to launch. Once again, the feedback has been both powerful and deeply moving. As a team we’re investigating how this course might be scaled up to serve our local community and beyond.

The “Still I Rise” course takes its name from a famous poem by poet, social commentator and civil rights activist Maya Angelou.

You can read the poem and find out more about Maya at: [poets.org/poem/still-i-rise](https://poets.org/poem/still-i-rise)

Alongside this we continue to keep an ‘open conversation’ as a church family through our **Snapshots** evenings. These are evenings which are open to all where space is given simply for people to share their experiences of racism or their journey of understanding in this area. Both “Still I Rise” and Snapshots aim to provide contexts for open and sometimes painful reflection in a safe environment.

### Pastors of the “Town”

A key “tentpole” of our pastoral care ministry is that the church isn’t meant to be a “holy huddle” but rather serve our local and wider community. During 2022 we continued to provide termly volunteer training at our Pastoral Hub. This was a gathering of roughly 40 volunteers looking at the topics described previously and giving a context for mutual encouragement.

### Pastoral Forum.

In Nov 22 we laid on our 3rd “Pastoral Forum”, a round-table event for other churches to access. Roughly 70 delegates attended from across the nation discussing our priorities of mental health, families and racial integration. Under this banner we focused on burnout, spiritual abuse, healthy relationships and racism.

### Sozo

This is a ministry in which the main aim is to get to the root of those things hindering a personal connection with God. Sozo consists of a single session, with an option to book in for another in a couple of months. The person is led through prayers of forgiveness towards people who have hurt them, are helped to deal with any traumatic issues from the past, and in the process are helped to listen to God for themselves. At the end of the session, the person leaves with a list of promises and truths that they have heard from God, and almost always say they feel lighter – and it shows in their expressions!

Here are a few comments that people were happy to share after their Sozo:

- Life changing! Deeply affirming, Safe Space and a “thin” place even online.
- I felt the love of Father Jesus and Holy Spirit above everything else.
- Experienced all three persons of the Godhead in a deeply impactful way during the session and this has continued. I have experienced freedom from a long-seated niggling guilt.
- It brought consolidation to a number of ongoing issues. Very helpful and I felt I was in a safe place to open my heart and soul to friendly personnel.

The majority of Sozos in 2022 were conducted in person at King’s House, with one person leading the session, helping the guest to process their experiences and to hear from God, and the second team member recording the truths the guest hears from God and praying. We are still offering Sozo on Zoom, with a minority of people opting for this. In total, there were 22 in-person Sozo sessions, and 4 on Zoom. This is a smaller number than in previous years, but people were still recovering from the effects of lockdown and Covid, and some were still avoiding contact with other people. Numbers started to build up over the course of the year, and we continue to offer Sozo appointments on a regular basis.



## 5. SEND

It's been a transformational year for Paula who finished building her home in Tijuana, Mexico after 2 years of fundraising, and moved into it in April 2022. She now uses it not just as her home but to welcome local friends and those joining her work for a while. March marked 10 years of Paula living and working amongst the poorest in Mexico – a real cause for celebration! In February, she and her team launched a medical clinic in the Hope Zone in downtown Tijuana with qualified staff volunteering their time to treat the community. One local girl aged 7 told her mum that when she grows up, she wants to be a dentist and work in Hope Zone helping the other kids. In the summer, Hope Zone ran a kids' programme with themed days, including tents and camping games for the whole family and fun water games. Taking the Hope Zone mums out for coffee in the autumn, two of them said that they had never been out for coffee with their girlfriends! Paula says "God loves to use many things to express his love to others". At the end of October Paula got engaged to Uriel. With the wedding planned in February 2023 and her work as busy as ever, it's been a year of celebration.



Over in North Africa, JS moved to a mega-city in March 2022. She immediately started to study a new Arabic dialect whilst looking for a place to live and has also enjoyed the novelty of going to the local gym. She has been memorising Biblical stories in classical Arabic ready to retell when the opportunity arises. Then there's home study and chatting to people in everyday life at the shops, the gym and with neighbours. There are many in the city from a neighbouring war-torn country who have come for medical treatment. Some are helped by a



local clinic which JS has connection with. Through this she has been visiting some of the patients in their homes, taking much needed food and sharing some Bible stories and prayers as well as God's kindness and comfort. In October JS experienced a slice of local life when she attended a wedding. The bride and groom came down the aisle together, following a man tapping a little brass cymbal, and they were later made to wear capes and crowns!

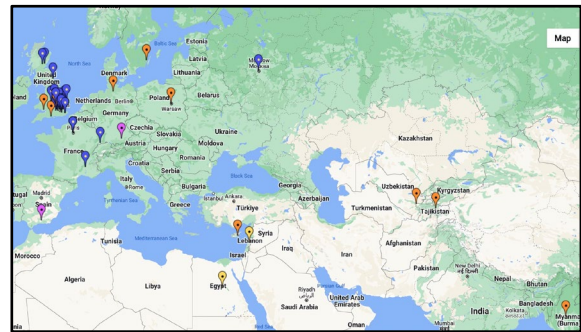
In the Middle East, HH has also been continuing with Arabic study, moving to online lessons again with a new teacher who is helping to hone her speech in the local dialect. The economic situation in her country continued to deteriorate yet people somehow managed to survive. She writes, 'I picked up a couple of mana'esh (pizza dough but with no sauce) on the way home today. A 6 year old girl came up to me in the street and asked for food. I was grateful I'd bought more than I needed'. The country geared up for elections in May with the streets full of giant posters of politicians (some draped down 6 storey buildings!). There were fears of an increase in sectarian tensions escalating into violence but mercifully all went off peacefully. Later in the year, HH began teaching English in an adult language centre. This was fun and challenging as she learnt about the working world in her adopted country. After a 2-year search, she moved into shared accommodation with some local ladies in a new area of the city. Since the conversations are all in the local language, her Arabic is moving on apace!

Meanwhile, Abigail finished her three years at Youth With A Mission in Harpenden by leading a missions team to Mexico City and indigenous villages on the Mexican coast. Having spent the early part of 2022 training and mentoring other students at the UK training base and leading an activities week in Coventry, she spent her time prior to the Mexico trip in fundraising and learning as much Spanish as she could. Whilst in Mexico, Abigail was impacted most by working with young boys in a juvenile detention centre in the city and youngsters from broken homes in the villages. She also got to teach English in a Mexican village primary school. In September she started her UK university studies in British Sign Language and we wish her all the best!

## 6. KA Apostolic

King’s Arms Apostolic oversees and spearheads the trans-local work of the church in serving other local churches and apostolic networks. As a church, we have the privilege to help churches across the world.

King’s Arms is part of a relational network of churches called Catalyst, serving over 80 churches in the UK and many established and new churches in other nations. In the UK, Catalyst is led through apostolic Hubs that care for churches and provide strategic direction. Both Simon Holley and Phil Wilthew are part of the core apostolic team and have been actively involved in serving events such as the Catalyst Leaders weekend, leadership training and Impact training.



The Bedford Hub is serving over 50 different Churches which are in varying stages of connection with us. The majority of these are in the UK, with a geographical spread from London to Dundee. We also support churches in 14 countries outside the UK, and these receive input from our strategy team and church leaders on a regular basis. The Hub is served by a core team of 6 leaders, 4 from King’s Arms and 2 from other UK churches.

In 2022 teams from the King’s Arms served other churches through 21 ministry trips to various places, including Granada-Spain, Paris-France, Basel-Switzerland, Krakow-Poland, Stuttgart-Germany, Cardiff-Wales.



Our online leadership training huddles continued to develop during the year including those focusing on Apostolic Foundations (Simon Holley and Phil Wilthew), European Leaders (Phil Wilthew and Duncan Hanton) to support leaders in related churches in other European countries, and a huddle to support church leaders in New Zealand who because of the time difference often find it challenging to join our online Hub gatherings. Simon Holley also ran a Discipleship making Huddle for those in our Hub who were wanting to be trained.

We were excited to host our annual Resonate.global conference in March themed “In His Presence”, as a hybrid model with over 100 guests attending in person and 14 international guests joining us online. We were honoured to have Pete Hughes, the lead Pastor at King’s X Church in London as our guest speaker. Pete is an exceptional teacher and many felt inspired and provoked by his talk “Redeeming the Earth”. Another highlight was our Twenties panel of young leaders who shared the challenges and strengths of the next generation of leaders. The conference was a beautiful time of worship and fellowship together with representation from the many nations we work with.



A new initiative was Amplify, an online Prophetic school for the Hub, led by Phil Wilthew, Rob Davey and Charlene Frammingham. This school ran mostly online via zoom with 2 additional in-person days at King’s House. We were overwhelmed with applications, and accepted 90 students from the UK, Europe and South Africa, We recruited 15 coaches from many different streams of churches in the UK. The course was set up in 3 terms to run for 9 months which included hosting guest speakers Julian Adams and Ben Armstrong and a Bethel Church team from Redding, California. This course ran to the end of July and we launched a second year in November, focusing on a smaller group of 50 Students and 18 coaches for more in depth training. This course has the addition of training for coaches, and termly coach and students “connect” meetings.

## APPENDICES

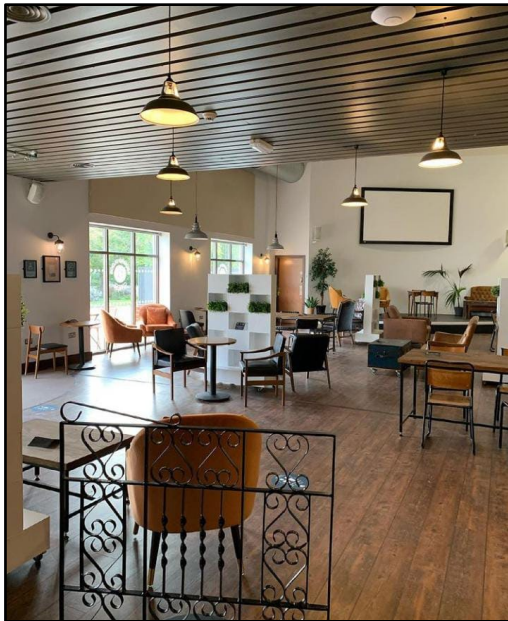
THE APPENDICES DO NOT FORM PART OF THE AUDITED ACCOUNTS

### 7. KA Facilities (Bedford)

During the week, King's House is used by the wider community as a venue for conferences, meetings and events. After a turbulent 2021 with numerous lockdowns and re-openings, 2022 turned out to be our most profitable year to date. Two of our long-term contracts continued to meet in King's House 5 days a week: Bedford Hospital training newly arrived international nurses and Serco training new staff. In addition, from January both regular and new customers used King's House for meetings, celebrations and events and on many days all of the rooms were occupied.



The building has had all of the exterior and interior signage re-done by our Design and Communications team to fit with our new branding – which looks great. We also have a new website.



Situated in the foyer area, Ground Floor Coffee shop is open to the public Monday – Friday. Due to our great fresh food and delicious hot drinks, and the fact that after the Covid pandemic people wanted large open areas, the coffee shop has also seen an increase in guests this year.

In late October 2021, a new law was introduced, to protect people with food allergies who rely on the transparency of ingredients and food labelling for pre-packaged food. We have implemented a strong labelling system for our pre-packaged food and also decided to purchase a new chiller cabinet to display our freshly made sandwiches and paninis – so not having all of our food pre-packaged. Food sales have increased since doing this and the feedback from customers both verbally and on-line is excellent.

## 8. Re-Track

Re-Track started at the end of 2020, with the help of a match-funded grant of £20K through the 'Love Your Neighbour' national initiative.

Throughout 2022 Re-Track has engaged with various projects to support those in need in Bedford. We offered support in the form of emergency food parcels, Aid for Ukraine, Love Christmas boxes, litter picking, family fun days, and warm spaces.

Re-Track was staffed by one part-time employee together with trained and supervised volunteers from diverse backgrounds.



**Emergency Food Parcels.** Throughout the year emergency food parcels have been provided for those in need. Ongoing support and referrals to the food bank are given to help those in need of long-term support.

**Love Christmas.** For this initiative we created a web page, a video and social media posts giving people time to give money, donate items and/or boxes filled with gifts. Several Re-Track volunteers helped with preparing and delivering the Love Christmas boxes. 156 boxes were donated, and an additional 20 boxes were purchased using cash given, filled with food items and gifts, and each box also included the book *The Christmas Story* and information about King's Arms Church.

- 45 Love Christmas boxes went to families in need through F4YP.
- 59 Love Christmas boxes were received by attendees at the Friday Night Meeting.
- 37 boxes went to the homeless supported via the King's Arms Project.
- 35 Love Christmas boxes were given to the elderly.

**Aid for Ukraine.** To support those affected by the ongoing conflict in Ukraine, during May and November we sent two vanloads of aid to one of the churches we are connected to in Krakow, Poland. These have been very successful trips thanks to the many donations we received and the volunteers who have helped make this happen.

**Family Fundays.** Joining with the King's Arms Kids' team, Re-Track co-hosted a couple of family fundays. We gave tickets for the families we are supporting. These days included free refreshments, bouncy castles, petting zoos, crafts and more. Thanks to our amazing volunteers we are able to organize these events to bless those in our town.

### Value added.

- Volunteers from the King's Arms Church engaged.
- Partnership working with the F4YP and the King's Arms Project.
- Gospel story book into the hands of families.
- Increased awareness of Re-Track and the King's Arms Church.
- Increased partnership working with Bedford Borough Council through litter picking after the River Festival.



## 9. KING'S ARMS HISTORY AND DEVELOPMENT

King's Arms Church was established in 1992 with the support and oversight of Woodside Free Church, Bedford (now Woodside Church). The King's Arms Trust was registered as a charity on 1 January 1995. Previous to this date the accounts were included within those of Woodside Free Church.

King's Arms Church began to meet separately from Woodside in October 1992, initially on Sunday evenings. Since 1995 the church has met twice on most Sundays and has grown steadily in attendance. The church met in the dining room at Dame Alice Harpur School (now Bedford Girl's School) for many years before moving to King's House in 2010. King's House, which was purchased by the Trust in December 2009, was previously a factory manufacturing Crayola Crayons.

Throughout its history King's Arms has been caring for poor and disadvantaged people in Bedfordshire. The King's Arms Project commenced work among Bedford's homeless in 1989 when a residential house located in Clarendon Street, Bedford was established. The Project has developed with additional houses and elements, all of which have been set up to cater for the needs of poor and disadvantaged people. In order to facilitate its further growth and development, the Project was established as a separate charitable company called King's Arms Project (Bedford) which commenced operating on 1 March 2011.

Several new churches have been established in the UK and overseas by members of the King's Arms Church and a number of other churches are now being led by people who once attended the King's Arms Church. These include:

David Stroud, the founder of King's Arms Church, who led a team to South Birmingham in 1998 to plant a church and now leads Christ Church, London with four congregations meeting across the city at Mile End, Stockwell, Sutton and Central London.

Matt and Philippa Hatch who moved to Leeds in 2002 and lead Mosaic Church, a multi-site church meeting in three Leeds locations: North Central, South and Hobleck. They have also planted new churches in South Africa and UK.

Adrian and Lucy Hurst, Oasis Church, Birmingham.

Nick and Tracey Priggis, Hope Church, Shrewsbury.

Tim and Vicki Simmonds, Christ Church, Manchester a multisite church with seven meetings each Sunday in five locations across the city.

Robin and Hannah Vincent, The Hill Church, Swansea.

Nick and Sue Griffin, London Life Vineyard Church, Crouch End, London.

Mike and Jen Milner. Vineyard Church, Guam.

Olivier and Elodie Sarkis, Montêlimar, France

Matt and Maëllou Trefcon, Montêlimar, France

Many of these churches are located in multi-racial environments in deprived inner city areas, with an emphasis on caring for poor and disadvantaged people.

Other ex-members of the King's Arms Church, now working in an influential positions include:

Mathew Neville, CEO of Alpha International.