

Independent auditors' report to the directors of Kingdom Bank Limited

Report on the audit of the country-by-country information

Opinion

In our opinion, Kingdom Bank Limited's country-by-country information for the year ended 31 December 2019 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2019 in the report entitled "Country by Country Reporting for the year ended 31 December 2019".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC's Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to "Basis of preparation" section of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Responsibilities for the country-by-country information and the audit

Responsibilities of the directors for the country-by-country information

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the "Basis of preparation" section of the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the country-by-country information


It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this country-by-country information.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers LLP".

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
27 April 2020

Country by Country Reporting for the year ended 31 December 2019

A Country by Country Reporting ('CBCR') obligation was introduced through Article 89 of the EU Directive 2013/36/EU, otherwise known as the Capital Requirements Directive IV ('CRD IV'). This document satisfies our reporting obligations for the year ended 31 December 2019.

Name, nature of activities and geographical location

These disclosures relate to Kingdom Bank Limited ("the Bank"). The Bank is located in Nottingham in the UK. The registered office address is Ruddington Fields Business Park, Mere Way, Ruddington, Nottingham NG11 6JS.

The principal business of Kingdom Bank Limited ("the Bank" or "the Company") continues to be secured lending to churches, charities and individuals. The church and charity loans are focussed on helping growing Churches and Charities to deliver their mission to their local communities. The loans to individuals are either for similar purposes or to provide housing now or in the future for church and charity workers in ministry to grow God's kingdom. The Bank is particularly interested in financing projects which provide practical help and support to people in need both spiritually and physically. This is funded from customer deposits in a range of savings accounts. These savings products are designed to be easy to understand, whilst offering sufficiently competitive interest rates and easy access. The Bank operates a specialist insurance broking service focussing on churches and charities.

Turnover

The Bank's turnover for the year ended 31 December 2019 was £2,718,000.

Average number of employees on a full time equivalent basis

The average number of employees on a full time equivalent basis during the year ended 31 December 2019 was 30.

Profit or loss before tax

The profit before tax for the year ended 31 December 2019 was £326,000.

Corporation tax paid on profits

The amount of corporation tax paid in the year ended 31 December 2019 was £40,000.

Public subsidies received

No public subsidies were received during the year ended 31 December 2019.

Basis of preparation

The information above is prepared on the following basis for the year ended 31 December 2019:

- The CBCR is prepared on a solus basis for Kingdom Bank Limited.
- Turnover represents total interest receivable from borrowers and banking counterparties together with insurance commission income.
- The average number of employees is an average of monthly total full time equivalent employees, based on employees legally employed by the Bank excluding contractors. The disclosure is inclusive of 4 non-executive directors who are employed under a contract for services.
- Corporation tax paid on profits shows the total amount of UK corporation tax paid to HM Revenue & Customs in 2019. An element of the payments will relate to prior years and therefore the figures will not represent corporation tax charged in the period.



24 April 2020