

# **Trustees' Report and Accounts for the period to 31<sup>st</sup> March 2021**

## **King's Road Church Charitable Incorporated Organisation**

*Charity registration number: 1186968*

## **Trustees' Report for the period to 31<sup>st</sup> March 2021**

King's Road Church is a Charitable Incorporated Organisation registered with the Charity Commission, registered charity number 1186968.

### **Trustees**

All the trustees were appointed when the charity was registered on 16 December 2019 and all were still trustees as at the date that this Report was approved.

Mr Stephen Ronald White (Chair)

Dr Hilary Willard

Dr Richard Walker

Mrs Fiona Nicolle (Treasurer)

### **Principal address**

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Berkhamsted  
Herts  
HP4 3BD

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[admin@krc.org.uk](mailto:admin@krc.org.uk)

### **Bankers**

CAF Bank Ltd  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

### **Independent Examiner**

David Green MA (Cantab) ACA  
Azets  
Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
HP6 6FA

## **Structure, Governance and Management**

### **Incorporation of King's Road Church**

King's Road Church (the charity) was registered with the Charity Commission on 16 December 2019 as a Charitable Incorporated Organisation (CIO). This report covers the period from that date until 31 March 2021, although the charity's activities did not begin until 1 September 2020 when it took over the activities of the unincorporated charity, King's Road Evangelical Trust (registered charity number 1039585). The membership and activities of the church have remained the same and the purposes and beneficiaries of the two charities are materially the same.

The purpose of the change of legal form from unincorporated charity to CIO was to establish the charity as a legal entity in its own right and to reduce the personal liability of the trustees.

The final set of accounts for King's Road Evangelical Trust were prepared to 31 August 2020 and all of its assets, liabilities, reserves and activities were then transferred to the charity.

### **Trustee selection details**

Trustees must be members of the church. Trustees are appointed on agreement of a majority of existing trustees in accordance with the procedures in the constitution. Proposed new trustees are presented to the church and a period of one month is given for church members to feed back on the proposed appointment.

### **Related parties**

There were no transactions with related parties in the year, except donations and offerings from trustees and their relatives in their capacity as church members.

## **Objectives and Activities**

### **Summary of the purposes of the charity**

The purposes of the charity as set out in its constitution are:

To advance the Christian religion in accordance with the Statement of beliefs in schedule 1 of the constitution, for the benefit of the public, mainly but not exclusively by:

- encouraging and facilitating religious practice by existing followers;
- seeking new followers or adherents;
- providing pastoral support;
- supporting Christian mission and outreach work in the UK and overseas; and
- the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

The trustees confirm that they have had regard to the Charity Commission guidance on public benefit.

### **Summary of activities during the period**

The activities of the church continued to be affected by Covid-19, but many took place online, which had the benefit that people from a wider geographical area could be involved. Some face-to-face activity took place at the times when social distancing regulations permitted, with use made of outside spaces where possible.

Sunday services were held throughout the period. These were online with a small number of people attending at the church building when social distancing regulations permitted. Weekly online prayer meetings were held.

Demand for the foodbank increased during the period, reflecting the economic difficulties caused by lockdown. It provided regular support to around 20 individuals, couples or families, who received a package of food each week that they needed it. There were a total of 245 visits to collect food or deliveries of food during the period, an average of 35 visits per month. The number of visits was highest in December at 48.

We supplied a number of customers with 'Christmas dinner in a bag' in December 2020 and we have also issued all customers with an extensive 'signposting' document giving them information about and contact details for many support services for financial difficulties, mental health concerns, addiction, domestic violence and other relevant issues.

We were able to do the usual delivery of hampers at Christmas to 39 residents of a local sheltered housing association.

The foodbank was supported by financial donations and donations of food, primarily from church members but also by members of the public. We were also grateful to receive food from collections at harvest festival and Christmas from several local schools.

The DivorceCare course continued online. This is a support group for those going through divorce, which is open to all. As the course was online, we were able to include participants from all over the UK and from Europe.

We also started a new online course supporting parents with a difficult relationship with their grown-up children. Again, we had participants from across the UK and also overseas. The course was successful, with participants appreciating the support and fellowship. We plan to run the course again.

We were able to run some outside activities for the children and youth of the church, including bike rides, outdoor games and campfire cooking.

The church continued to support several Christians in their overseas ministries throughout the world. The support was financial and through prayer and regular contact and updates. Some of the missionaries spoke to the church online and church members were inspired to hear about their work. The overseas activities supported mainly involve caring for those in poor communities and include education, housing, medical care, and other pastoral and practical support.

Each year, we hold a Christmas fair with the proceeds used to support the overseas ministries. This year the event was held online. Many of the usual stallholders sold their products and donated the proceeds and we raised more money than the previous year.

The charity does not make grants nor did it undertake any social investment during the period.

### **Contribution made by volunteers**

The Pastor did not take up post until 1 March 2021 so the charity only had one employee for the majority of the period, the administrator. All church activities were run with extensive volunteer support, mainly from members of the church. Activities undertaken by volunteers included:

- Supporting the Sunday services, through speaking at or leading the service, setting up equipment and managing the broadcast, being part of the worship band, teaching the children, and leading prayer and communion;
- Designing a spiritual programme;
- Running the foodbank;
- Running DivorceCare and the parents' support group;
- Leading prayer groups and weekly small groups;
- Participating in outreach activities;
- Organising activities for the children and youth; and
- Keeping in touch with missionaries, supporting them through prayer, and monitoring their activities and use of donations.

## **Achievements and Performance**

### **Summary of the main achievements of the charity**

The church has helped new and existing members to practice and develop their faith. Through its various outreach activities, it has helped those without a firm faith to explore and understand Christianity.

The foodbank and support for missionaries overseas have helped to provide food, advice, improved housing, medical support and education for those in need.

The DivorceCare group has provided emotional support and fellowship for those experiencing marital breakdown.

### **Achievements against objectives set**

The main objectives for the period and the achievements against them were:

- to run the church's core activities - as set out in the 'Summary of activities during the period' above;
- to establish a new leadership following the departure of the Pastor, including new elders. A team of four volunteer elders was formally appointed in September 2020. A recruitment process to appoint a new Pastor took place in October 2020. Rob Gorst and his wife Sue spent some time getting to know the church and its members before Rob formally took up post on 1 March 2021; and
- to support the running of the foodbank following increased demand for its services, and develop a longer term strategy for the foodbank. Additional volunteers were recruited and we consulted with other charities running foodbanks. We evolved the way that the service was provided to enhance the safety of volunteers, take into account the needs of clients, and respond to changes in restrictions related to Covid-19.

### **Performance of fundraising activities against objectives set**

The church was operating in a business-as-usual mode, and the fund-raising objective was to maintain sufficient revenue to cover the costs of running the church, including staff salaries, and to continue supporting the overseas missionaries. The majority of the church's income is from voluntary donations from church members.

A Christmas fair was held online to raise money for overseas missionaries. On hearing about the work of the foodbank, church members and members of the public made donations of funds and food to support the foodbank.

### **Investment performance against objectives**

The church has substantial cash assets. Some of these were used during the period to refurbish the Manse and the remainder are designated for the purposes of developing the church building.

As planned, cash not immediately required was invested in deposit accounts with banks and building societies in one- and two- year notice accounts to maximise interest obtained. The

funds were split between different accounts to ensure that all were covered by the FSCS guarantee.

The interest obtained from these investments was in line with expectations.

## **Financial Review**

### **Financial position at the end of the period**

The charity was established as a CIO on 16 December 2019 as a successor charity to the unincorporated King's Road Evangelical Trust (registered charity number 1039585). The final set of accounts for King's Road Evangelical Trust were prepared for the seventeen month period to 31 August 2020 and all of its assets, liabilities, reserves and activities were then transferred to the charity. The two charities did not run concurrently. The charity's first set of accounts cover the activities and transactions undertaken in the seven months from 1 September 2020 to 31 March 2021.

In accordance with chapter 27 of the Charity SORP, the change in legal form is accounted for as a merger because the purposes and beneficiaries of the two charities are materially the same. Merger accounting involves aggregating the assets, liabilities and funds of the charities and presenting them as though they had always been part of the same charity.

The accounting policies of the two charities are the same and the assets and liabilities were transferred from King's Road Evangelical Trust to the charity at net book value.

Comparative amounts are the amounts shown in the final set of accounts for King's Road Evangelical Trust for the seventeen months to 31 August 2020. The charity did not account for any transactions until 1 September 2020. From 1 September 2020, all transactions were accounted for by the charity and none were accounted for by King's Road Evangelical Trust.

In comparing income and expenditure with the previous period, the different lengths of the current period (7 months) and previous period (17 months) must be taken into account.

The charity made a surplus of £30,584 for the period (£27,113 for the period to 31<sup>st</sup> August 2020).

The main source of income is donations and gifts. The average monthly total was similar to the prior period giving a total of £58,774 (£132,402 for the seventeen months to 31<sup>st</sup> August 2020).

The main expenditure was on the foodbank at £9,683; staff costs at £8,392 support to overseas missionaries at £5,875 and building maintenance costs at £4,266 with the remainder on administration and other running costs.

Fixed assets consist of the church and Manse land and buildings and capital improvements to the Manse/manse refurbishment. The net book value at 31<sup>st</sup> March 2021 was £523,006 compared to £497,081 at 31<sup>st</sup> August 2020.

Cash, cash deposits and cash equivalents totalled £486,023 at 31<sup>st</sup> March 2021 compared to £487,471 at 31<sup>st</sup> August 2020. This is split between cash at bank and in hand, current asset investments and fixed asset investments. The cash was held in a current account and deposit accounts and is classified according to the maturity date of the account.

The main items of other current assets are accrued gift aid on donations of £6,867 (£3,489 31<sup>st</sup> August 2020) and an HMRC debtor of £2,622 (£2,590 at 31<sup>st</sup> August 2020) for offset against future PAYE and NIC payments.

Other creditors and accruals consist mainly of the final invoice for the Manse refurbishment.

### **Reserves policy and reserves held at period end**



The charity had total reserves of £996,350 at 31<sup>st</sup> March 2021 (£965,766 at 31 August 2020). Of this:

- £199,494 represents the net book value of the church land and building;
- £164,037 represents the net book value of the manse land and buildings and £159,475 is the net book value of the capitalised extension and refurbishments to the manse bringing the total for the manse to £323,512;
- £388,970 is the proceeds of the sale of the chapel less the cost of the manse developments. The trustees designated this for use in developing the other two properties, primarily the proposed rebuilding of the church building, the cost of which is expected to exceed the balance held;
- £5,394 is the proceeds of the Christmas fair, restricted for support of overseas missionaries;
- £1,250 is restricted for relief of financial hardship; and
- £400 is stock for the foodbank.

This leaves a balance of £77,330 in the general (unrestricted) fund.

The trustees' policy is to hold an unrestricted reserve of a minimum of three months' non-discretionary expenditure to cover committed monthly outgoings, the main one being salaries. The figure is based on the approved budget for the year and the target going into 2021-22 is £22,000.

The main source of income for the church is tithes and offerings. These are voluntary donations which fluctuate according to the number of people attending church and their individual circumstances. The trustees monitor the donations received monthly and these do vary, although in practice never drop below a certain threshold. The reason for holding the reserves is to cushion against a drop in income and allow time to raise further funds and/or reduce expenditure, including meeting any one-off costs to reduce ongoing expenditure.

The current level of reserves exceeds the target level. The church anticipates using some of the reserves in meeting the employment and other costs of the newly appointed Pastor. Should income increase to meet a greater portion of these costs, the funds will be spent on charitable activity, including the planned redevelopment of the church building.

### **Going concern**

The trustees consider that the charity is a going concern. The budget for 2021-22 forecasts a small surplus and the free reserves would comfortably cushion even a significant deterioration in this position. The charity is fortunate that it is not heavily dependent on fundraising activities susceptible to the impact of Covid-19.

### **Investment policy and objectives**

In setting their investment policy and strategy, the trustees operate within statutory provisions and the requirements of the constitution.

The funds available for investment are the proceeds of the sale of assets and any balance on the restricted and unrestricted general funds.

The main investment objectives are to preserve the capital value of funds and ensure they are available for use when needed.

The charity does not currently have significant funds to be held for the long term for the purpose of providing income or funding future activity. Therefore the charity will not invest in any investment that has risk of significant capital fluctuations, such as stocks and shares, or corporate bonds.

The balance on the unrestricted general fund is held to meet any shortfalls of income over expenditure and any balance up to £30,000 should be held in an instant-access account because it may be needed at short notice.

Funds above this level will be held in the deposit accounts or bonds with banks and/or building societies, or National Savings and Investments to the extent that they accept deposits from charities. Only investment institutions where the funds will be protected by the Financial Services Compensation Scheme (FSCS) or other guarantees may be used. Deposit accounts with a notice period may be used, so long as the funds will be available within the time they are anticipated to be required. The trustees will aim to maximise the interest rates working within these parameters.

The amount invested with each banking institution must not exceed the amount protected by the FSCS.

### **Principal risks**

The main risks facing the charity are:

- the church building not keeping up to date with health and safety standards and an incident occurring that causes harm to a user of the building;
- a safeguarding incident;
- having insufficient income to fund non-discretionary running costs;
- the church building having insufficient space and inadequate facilities to accommodate all who want to attend in person and remotely, and to run children's work during services; and
- erosion of its capital funds through inflation, or loss of those funds due to the collapse of a financial institution.

The trustees are satisfied that adequate measures are in place to reduce these risks to an acceptable level within their risk appetite.

## **Statement of Trustees' Responsibilities**

Charity law requires the trustees to prepare financial statements for each financial year, which show a true and fair view of the state of affairs of the charity, and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

## **Declarations**

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees by Stephen Ronald White, Chair of Trustees

A handwritten signature in black ink, appearing to read 'S. White', with a large, stylized initial 'S' and a long horizontal stroke extending to the right.

14 November 2021

# ACCOUNTS FOR KING'S ROAD CHURCH CIO FOR THE PERIOD TO 31 MARCH 2021 (Charity registration number: 1186968)

## STATEMENT OF FINANCIAL ACTIVITIES

				CIO Total To 31 March 2021	Unincorporated Charity 17 months to 31 August 2020 (restated)
	Note	Unrestricted Funds £	Restricted Funds £	£	£
<b>INCOMING RESOURCES</b>					
Donations	3a	46,294	12,480	<b>58,774</b>	132,402
Other trading	3b	2,329		<b>2,329</b>	5,133
Investment income	3c	6,670		<b>6,670</b>	3,196
<b>Total Income</b>		<b>55,293</b>	<b>12,480</b>	<b>67,773</b>	140,731
<b>RESOURCES EXPENDED</b>					
Charitable Activities	4, 5	30,504	6,685	<b>37,189</b>	113,618
<b>Total Expenditure</b>		<b>30,504</b>	<b>6,685</b>	<b>37,189</b>	113,618
<b>NET INCOME/(EXPENDITURE)</b>		<b>24,789</b>	<b>5,795</b>	<b>30,584</b>	27,113
Transfers between funds	10	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>24,789</b>	<b>5,795</b>	<b>30,584</b>	27,113
<b>RECONCILIATION IN FUNDS:</b>					
Funds brought forward/ transferred from unincorporated charity on 1 September 2020	10	765,023	200,743	965,766	938,653
<b>FUNDS CARRIED FORWARD</b>	10	<b>789,812</b>	<b>206,538</b>	<b>996,350</b>	<b>965,766</b>

# ACCOUNTS FOR KING'S ROAD CHURCH CIO FOR THE PERIOD TO 31 MARCH 2021 (Charity registration number: 1186968)

## BALANCE SHEET

					Unincorporated Charity as at 31 August 2020 (restated)
CIO as at 31 March 2021					
		Unrestricted	Restricted	Total	
Note	£	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6	323,512	199,494	523,006	497,081
Investments	7	80,000	-	80,000	160,000
<b>Total fixed assets</b>		<b>403,512</b>	<b>199,494</b>	<b>603,006</b>	<b>657,081</b>
<b>CURRENT ASSETS</b>					
Stock		-	400	400	-
Debtors	8	11,452	-	11,452	6,079
Investments		323,182	-	323,182	80,000
Cash in bank and in hand		76,197	6,644	82,841	247,471
<b>Total current assets</b>		<b>410,831</b>	<b>7,044</b>	<b>417,875</b>	<b>333,550</b>
Creditors: amounts falling due within one year	9	24,531	-	24,531	24,865
Net current assets		386,230	7,044	393,344	308,685
<b>Total net assets</b>		<b>789,812</b>	<b>206,538</b>	<b>996,350</b>	<b>965,766</b>
<b>FUNDS OF THE CHARITY</b>					
Restricted Income Funds	2b, 10	-	206,538	206,538	765,023
Unrestricted Income Funds	2b, 10	789,812	-	789,812	200,743
<b>TOTAL CHARITY FUNDS</b>		<b>789,812</b>	<b>206,538</b>	<b>996,350</b>	<b>965,766</b>

The notes at pages 14 to 22 form part of these accounts.

Approved by the Trustees on 14 November 2021 and signed on their behalf by:



.....  
Stephen White  
Trustee

## NOTES TO THE ACCOUNTS

### 1 Accounting Policies

#### (a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity has taken advantage of the provision in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

#### *Transfer of activities to CIO*

The charity was established as a CIO on 16 December 2019 as a successor charity to the unincorporated King's Road Evangelical Trust (registered charity number 1039585). The final set of accounts for King's Road Evangelical Trust were prepared for the seventeen month period to 31 August 2020 and all of its assets, liabilities, funds and activities were then transferred to the charity. The two charities did not run concurrently. The charity's first set of accounts cover the activities and transactions in the seven months from 1 September 2020 to 31 March 2021.

In accordance with chapter 27 of the Charity SORP, the change in legal form is accounted for as a merger because the purposes and beneficiaries of the two charities are materially the same. Merger accounting involves aggregating the assets, liabilities and funds of the charities and presenting them as though they had always been part of the same charity.

The accounting policies of the two charities are the same and the assets and liabilities were transferred from King's Road Evangelical Trust to the charity at net book value. The funds were also transferred and the closing balances for King's Road Evangelical Trust formed the opening balances for the charity.

#### *Comparatives*

Comparative amounts are the amounts shown in the final set of accounts for King's Road Evangelical Trust for the seventeen months to 31 August 2020. The charity did not account for any transactions until 1 September 2020. From 1 September 2020, all transactions were accounted for by the charity and none were accounted for by King's Road Evangelical Trust.

In comparing income and expenditure with the previous period, the different lengths of the current period (7 months) and previous period (17 months) must be taken into account.

#### *Assessment of going concern*

The financial statements are prepared on a going concern basis. The trustees do not consider that there are any material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern.

#### (b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted funds can be spent or applied at the discretion of the trustees to further any of the charity's purposes. Unrestricted funds include designated funds where the trustees, at their

discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 10.

### **(c) Income recognition**

Income is recognised in the accounts when:

- control over the rights or other access to the economic benefit has passed to the charity;
- it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity; and
- the monetary value or amount of the income can be measured reliably.

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Interest income is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

### **(d) Donated goods and gifts in kind**

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Gifts in kind for use by the charity are included as income from donations when receivable.

### **(e) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

### **(f) Support and governance costs**

Support and governance costs for the charity include all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to fees payable for the independent examination of the accounts together with other administrative expenses.

All these costs are met out of unrestricted funds.

Further details of these costs can be seen in notes 5 and 6.

### **(g) Pension costs**

The charity contributes to defined contribution pension schemes for its employees. Contributions are expensed in the period in which they are earned. Any contributions unpaid at the period end are recognised as a liability.

Pension expenses are allocated to unrestricted and restricted funds on the same basis as other employee related costs. These are all allocated to unrestricted reserves.

#### **(h) Volunteer help**

The value of any voluntary help received is not included in the accounts but the contribution of volunteers is described in the trustees' annual report.

#### **(i) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

#### **(j) Fixed Assets**

Fixed Assets are capitalised if they can be used for more than one year and cost at least £3,000. Fixed assets are measured at cost less accumulated depreciation.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings, including extensions	50 years straight line
Fixtures and fittings	10 years straight line

Land is considered to have an indefinite useful life.

#### **(k) Cash and investments**

Cash at bank and in hand is held to meet short-term cash requirements as they fall due. It includes cash on deposit with a maturity date of less than three months.

Cash on deposit and cash equivalents with a maturity date of less than one year from the balance sheet date are classified as current asset investments.

Cash on deposit and cash equivalents with a maturity date of more than one year from the balance sheet date are classified as fixed asset investments.

#### **(l) Stock**

Stock consists of purchased or donated food held for distribution at the balance sheet date. It is valued at the lower of net realisable value adjusted for any impairment and replacement cost.

#### **(m) Financial instruments**

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.

#### **(n) Debtors**

Debtors are recognised at the settlement amount less any trade discounts due.

#### **(o) Creditors**

Creditors are recognised at their settlement amount less any discounts due.

#### **(p) Provisions and contingent liabilities**

Provisions for liabilities are recognised when the charity has a legal or constructive obligation and either the timing or the amount of the future expenditure required to settle the obligation is uncertain. The amount recognised as a provision is the best estimate of the expenditure required to settle or to transfer it to a third party at the reporting date.

Contingent liabilities are recognised when there is a possible but uncertain obligation or a present obligation that is not recognised because:

- a transfer of economic benefit to settle the possible obligation is not probable; or
- the amount of the obligation cannot be estimated reliably.



## Note 2 Prior year SOFA Unincorporated Charity 17 months to 31 August 2020

		Unrestricted Funds (restated)	Restricted Funds	Total (restated)
	Note	£	£	£
<b>INCOMING RESOURCES</b>				
Donations	2a	124,975	7,427	132,402
Other trading	2a	5,133	-	5,133
Investment income		-	3,196	3,196
<b>Total Income</b>		<b>130,108</b>	<b>10,623</b>	<b>140,731</b>
<b>RESOURCES EXPENDED</b>				
Charitable Activities		102,805	10,813	113,618
<b>Total Expenditure</b>		<b>102,805</b>	<b>10,813</b>	<b>113,618</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>27,303</b>	<b>(190)</b>	<b>27,113</b>
Transfers between funds		-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>27,303</b>	<b>(190)</b>	<b>27,113</b>
<b>RECONCILIATION IN FUNDS:</b>				
Funds brought forward on 1 April 2019		162,651	776,002	938,653
<b>FUNDS CARRIED FORWARD</b>		<b>189,954</b>	<b>775,812</b>	<b>965,766</b>
Reclassification of unrestricted and restricted funds	2b	575,069	(575,069)	-
<b>FUNDS CARRIED FORWARD</b>		<b>765,023</b>	<b>200,743</b>	<b>965,766</b>

Note 2a Donations and legacies and trading income have been restated from the prior year published accounts to show trading income separately.

Note 2b The funds for the Manse land and buildings and the funds from the sale of the Beulah chapel were classified as restricted in the unincorporated trust. The trustees have established that there are no restrictions on the use of the funds for either, whether imposed by the original donors or otherwise. They have therefore been reclassified as unrestricted funds designated for the purposes of respectively holding the value of the Manse land and buildings and for use in redeveloping other church property.

The funds for the KRC church building were previously shown partially as restricted and partially as unrestricted. The trustees believe that the original donors did intend for the building to be used for the purpose of church meetings in perpetuity and have therefore reclassified the whole of the KRC building funds as restricted.

The reclassification of funds is shown below.

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Closing fund balance as at 31 August 2020 in unincorporated charity	189,954	-	775,812	965,766
Building fund reclassified from restricted to designated		543,402	(543,402)	-
Manse building reclassified from restricted to designated		165,000	(165,000)	-
KRC church building reclassified from unrestricted to restricted	(133,333)		133,333	-
<b>Opening fund balance as at 1 September 2020 in CIO</b>	<b>56,621</b>	<b>708,402</b>	<b>200,743</b>	<b>965,766</b>

### Note 3 Analysis of income

	Unrestricted Funds	Designated Funds	Restricted Funds	CIO Period to 31 March 2021	Unincorporated Charity Period to 31 August 2020
	£	£	£	£	£
<b>3a DONATIONS</b>					
Donations and gifts	39,962		7,974	47,936	118,688
Gift aid	6,282		563	6,845	13,474
Donated goods, facilities and services	50		3,943	3,993	
Other	-		-	-	240
<b>Total</b>	<b>46,294</b>	<b>-</b>	<b>12,480</b>	<b>58,774</b>	<b>132,402</b>
<b>3b OTHER TRADING ACTIVITIES</b>					
Hire out property	2,329	-		2,329	5,133
<b>3c INCOME FROM INVESTMENTS</b>					
Interest income	-	6,670	-	6,670	3,196
<b>TOTAL INCOME</b>	<b>48,623</b>	<b>6,670</b>	<b>12,480</b>	<b>67,773</b>	<b>140,731</b>

## Note 4 Analysis of expenditure

	Unrestricted Funds	Designated Funds	Restricted Funds	CIO Period to 31 March 2021	Unincorporated Charity Period to 31 August 2020
	£	£	£	£	£
Staff costs	8,392			8,392	43,872
Utilities and building maintenance	4,266			4,266	14,627
Repairs and maintenance	680			680	2,326
Support to missionaries	5,875			5,875	24,914
IT costs	1,652			1,652	601
Other admin costs	813			813	7,294
Foodbank	4,169	-	5,514	9,683	2,152
Speaker fees, events and outreach	249			249	2,641
Professional fees	1,180			1,180	13,328
Telephone and intranet	638			638	1,301
Depreciation	-	2,590	1,171	3,760	560
<b>TOTAL EXPENDITURE</b>	<b>27,914</b>	<b>2,590</b>	<b>6,685</b>	<b>37,189</b>	<b>113,618</b>

Included in professional fees is £780 for independent examiner's fees (£1,020 for the period to 31 August 2020).

## Note 5 Staff costs

	Unrestricted Funds	Designated Funds	Restricted Funds	CIO Period to 31 March 2021	Unincorporated Charity Period to 31 August 2020
	£	£	£	£	£
Salaries and wages	8,152	-	-	8,152	16,578
Social security costs	-	-	-	-	-
Pension costs	240	-	-	240	1,294
Other employee benefits	-	-	-	-	26,000
<b>Total</b>	<b>8,392</b>	<b>-</b>	<b>-</b>	<b>8,392</b>	<b>43,872</b>

The charity claims employment allowance which fully covers Employers' National Insurance Contributions so social security costs are nil.

## Note 6 Fixed assets

		Freehold land and buildings	Fixtures and fittings	CIO as at 31 March 2021	Unincorporated Charity as at 31 August 2020
	Note	£	£	£	£
<b>Cost</b>					
As at 1 Sept 2020		497,081	16,675	513,756	382,340
Additions			29,685	29,685	131,416
Disposals			-16,675	-16,675	-
Transfers	6a	(11,382)	11,382	-	-
<b>As at 31 March 2021</b>		<b>485,699</b>	<b>41,067</b>	<b>526,766</b>	<b>513,756</b>
<b>Depreciation</b>					
As at 1 Sept 2020		-	16,675	16,675	16,115
Charge for the period		2,733	1,027	3,760	560
Disposals		-	(16,675)	(16,675)	-
<b>As at 31 March 2021</b>		<b>2,733</b>	<b>1,027</b>	<b>3,760</b>	<b>16,675</b>
<b>Net book value</b>					
As at 1 Sept 2020		497,081	-	497,081	366,225
<b>As at 31 March 2021</b>		<b>482,966</b>	<b>40,040</b>	<b>523,006</b>	<b>497,081</b>

### Note 6a

The transfer of £11,382 relates to expenditure on fixtures and fittings for the Manse refurbishment which were included in land and buildings as at 1 September 2020. These were transferred to fixtures and fittings before the asset was ready for use in January 2021. They have been depreciated at the correct rate from the date that depreciation was chargeable.

## Note 7 Investments

The fixed asset investment consists of cash and cash equivalents. It is a deposit account with a maturity date of more than twelve months after the balance sheet date. Additions in the year were £80,000 and the fair value at the balance sheet date was £80,000.

Two deposits of £80,000 each, totalling £160,000 that had a maturity date of more than one year as at 31 August 2020 have been reclassified to current asset investments as the maturity date is less than twelve months from 31 March 2021.

## Note 8 Debtors

	CIO as at 31 March 2021	Unincorporated Charity as at 31 August 2020
	£	£
Prepayments and accrued income	1,963	-
Other debtors	9,489	6,079
<b>Total</b>	<b>11,452</b>	<b>6,079</b>

All debtors were receivable within one year.

## Note 9 Creditors

	CIO as at 31 March 2021	Unincorporated Charity as at 31 August 2020
	£	£
Accruals and deferred income	23,434	24,865
Other creditors	1,097	
<b>Total</b>	<b>24,531</b>	<b>24,865</b>

All creditors were due within one year.

## Note 10 Charity Funds

	Note	Transferred in 1 Sept 2020 (note 2b)	Income/ additions	Expenditure	Transfers	Balance at 31 March 2021
			£	£	£	£
<b>RESTRICTED FUNDS</b>						
Kings Road Church	a	200,665	-	(1,171)	-	199,494
Foodbank		78	5,836	(5,514)	-	400
Christmas fair		0	5,394	-	-	5,394
Hardship fund		0	1,250	-	-	1,250
<b>Total restricted funds</b>		<b>200,743</b>	<b>12,480</b>	<b>(6,685)</b>	<b>-</b>	<b>206,538</b>
<b>UNRESTRICTED FUNDS</b>						
<b>Designated funds</b>						
Manse	b	165,000	-	(963)	-	164,037
Manse improvements	c	131,416	-	(1,627)	29,686	159,475
Building fund	d	411,986	6,670	-	(29,686)	388,970
<b>Non-designated funds</b>						
General fund	e	56,621	48,623	(27,914)	0	77,330
<b>Total unrestricted funds</b>		<b>765,023</b>	<b>55,293</b>	<b>(30,504)</b>	<b>0</b>	<b>789,812</b>
<b>TOTAL FUNDS</b>		<b>965,766</b>	<b>67,773</b>	<b>(37,189)</b>	<b>0</b>	<b>996,350</b>

- The Kings Road Church fund holds the net book value of the Kings Road church land and building. Expenditure for the Kings Road Church is depreciation for the period. The fund was partially classified as unrestricted funds in the predecessor charity. It has been restated so that the entire balance is shown as restricted (see note 2b).
- The Manse fund holds the net book value of the Manse land and buildings. The Manse was classified as restricted funds in the predecessor charity. The trustees have established that there are no restrictions on the use of these funds either imposed by the original donors or otherwise. It has therefore been reclassified as unrestricted (see note 2b). The expenditure is depreciation for the period.
- The Manse improvements fund holds the net book value of the Manse extension, fixtures and fittings. The expenditure is depreciation for the period, which is added back to the general fund.
- The Building fund is the proceeds of the sale from the Beulah chapel. It is designated for the purpose of capital development of buildings, primarily the Kings Road Church building. The income is the interest earned on these funds. The fund was classified as restricted in the

predecessor charity and has been restated as designated as there are no restrictions on the use of these funds imposed by the donors or otherwise (see note 2b).

- e) The General fund holds unrestricted funds that can be applied to any of the charity's purposes.

#### Note 11 Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	CIO as at 31 March 2021	Unincorporated Charity as at 31 August 2020
	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:					
Fixed assets	-	403,512	199,494	603,006	657,081
Current assets	79,621	331,210	7,044	417,875	333,550
Liabilities	(2,291)	(22,240)	-	(24,531)	(24,865)
<b>Total</b>	<b>77,330</b>	<b>712,482</b>	<b>206,538</b>	<b>996,350</b>	<b>965,766</b>

		Unrestricted Funds	Designated Funds	Restricted Funds	Total as at 31 August 2020
	Note	£	£	£	£
Fund balances at 31 August 2020 are represented by:					
Fixed assets			456,416	200,665	657,081
Current assets		58,439	275,033	78	333,550
Liabilities		(1,818)	(23,047)		(24,865)
<b>Total</b>	2b	56,621	708,402	200,743	965,766

#### Note 12 Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (prior period: £nil). No trustees have incurred expenses that were reimbursed by the charity (prior period: £nil).

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KINGS ROAD CHURCH CIO**

I report to the charity trustees on my examination of the accounts of the charity for the period ended 31 March 2021 which are set out on pages 13 to 23.

### **Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**David Green MA (Cantab) ACA**

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Date: 15 November 2021