

KINGSTRUST NETWORK CIO

FINANCIAL STATEMENTS

Year ended

31 MARCH 2019

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For the year ended 31 March 2019**

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**Trustees Annual Report
For the year ending 31 March 2019**

The Trustees present their report with the financial statements of the charity for the year ending 31 March 2019.

Reference and Administrative Details of the Charity, its Trustees and Advisers

Name of charity: Kingstrust Network CIO

Charity Registration Number: 1161181

Principal Operating Address: 104 Queen Street
Withernsea
East Yorkshire
HU19 2HB

Trustees:

Names of trustees who served during the year and since the year end up to the signing of this report were as follows:

Annette Jarvis	Chairperson
Timothy Jarvis	Treasurer
Julian Groves	
Mike Hardy	
Billa Duggal	
Candice Woodcock	

Appointed March 2019
Resigned November 2018
Deceased March 2019

Professional Advisors:

Accountant: Sian Broughton ACMA, CGMA, DChA, MAAT
Chartered Management Accountant, Director of
Phoenix Accountancy and Business Consultancy
Limited
Morley's Cottage
Morley's Yard
Walkergate
Beverley
HU17 9BY

Solicitors Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Trustees Annual Report For the year ending 31 March 2019

Professional Advisors (continued):

<u>Bankers</u>	HSBC 3-4 Jameson Street Hull HU1 3JX
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Structure, Governance and Management

Governing Document

Kingstrust Network CIO is a registered charity governed by its Constitution adopted on 7 April 2015.

Recruitment and appointment of Trustees

The Trustees form the Executive Committee of the charity. The members of the Executive Committee are elected at the Annual General Meeting by the members of the Charity, and usually serve for a three year term. All members are circulated with invitations to nominate Trustees in advance of the AGM. There is a provision for the co-option of additional Trustees if required.

The Constitution states that the number of trustees must not be less than three but shall not be subject to any maximum.

Trustee Induction and Training

New trustees are required to undergo induction training, provided by the other trustees or suitable persons. Ideally, the induction includes a discussion about the role and responsibilities of trustees, the activities, aims and objectives of the charity, the structure of the organisation, board of trustees, general procedures of the organisation. New trustees are introduced to members of staff and other trustees, and are provided with the Charity Commissions 'Roles and Responsibilities of Trustees', the Constitution, the latest statutory financial statements, Annual Report and copies of the minutes and management reports provided to the board of trustees. Any additional training required by the new trustees will be identified during induction, and may be requested at any point by new and existing trustees, where it is considered useful to their role as trustee.

Organisational Structure

The board of trustees manages the Charity, and aims to consider only strategic decisions at its meetings. Trustees are aware that any conflict of interest is declared and minuted. The board meets quarterly and occasionally on other occasions as required.

Trustees Annual Report For the year ending 31 March 2019

Objectives and Activities

The objects of the charity as set out in the Constitution are:

- The relief of poverty in the United Kingdom and the world in such ways as the charity trustees may from time to time decide.

Main objective for 2018/19:

In past years the charity's main source of funding has been selling donated goods in its shops in Withernsea and Filey. The revenue generated this way however has been in steady decline. The charity will therefore actively pursue other forms of income, particularly looking at winning grants to fund its charitable activities. The charity's shops will continue to be resources for meeting with and helping local people. Poverty takes many forms: financial, mental, spiritual, loneliness and despair. The drop-in centres in both shops help us to address these issues in a safe and friendly place.

The charity aims to help people have a better quality of life, one that's stable and meaningful. Relieving poverty is much more than just handing out food and clothing. It's about changing poverty mindsets.

Activities in 2018/19:

The charity has 'drop in' centres within both its Withernsea and Filey shops. These facilities offer free WiFi access, thus creating places where folk can meet, socialise and also do online work such as job search. To make this environment work properly the charity has installed central heating in both shops. During the winter we find that the poor and lonely find these facilities an oasis of warmth and friendship.

In addition the charity continued its work of providing Christmas food hampers for distribution to the local poor through our frontline partners in the towns along the Yorkshire coastline from Withernsea to Filey.

The charity also organised a 'coast to coast' cycle ride from Weston-Super-Mare to Southend-on-Sea in England, some 240 miles. This was well attended and raised £1,674 in sponsorship donations.

Trustees Annual Report For the year ending 31 March 2019

Objectives and Activities (continued)

Main objectives for the following year:

In developing the main objectives for the following year the Trustees have given regard to the Charity Commission guidance on public benefit.

Our main objectives for the 2019/20 year are:

- to continue to offer drop in centres in the heart of the communities of Withernsea and Filey.
- to offer free Christmas food hampers for the poorest families in both the Withernsea and Filey areas.
- to actively pursue external grant funding for its charitable activities.

Achievements and Performance

Review of Activities 2018/19

The charity's main activities were centred around its shops in Withernsea and Filey as already described. The sales performance of the shops continued to decline despite active efforts to improve them such as:

- (i) Advertising for quality donations,
- (ii) Advertising for new, experienced volunteers,
- (iii) Improving the quality of goods that we sell on a commission basis,
- (iv) Selling more bought in goods particularly gifts.

The trustees note that high-street retailers generally continue having difficulties making ends meet.

The performance of the shop drop-in centres in reaching local people has continued to work well.

Trustees Annual Report For the year ending 31 March 2019

Financial Review

Reserves Policy

It is the aim of the trustees to retain three to six months' core running costs in the unrestricted general fund to ensure a sufficient buffer to enable effective financial decision-making, rather than short term decisions, and the charity will work towards achieving this in the future by looking at additional fund raising activities.

One of the effects of operating in a seaside town is the seasonal variation in revenue earned through the shop. We found it essential to have sufficient reserves at the end of November to both carry out our Christmas hamper programme and to subsidise the shops during the winter months (January through March) when the shops effectively operates at a loss as many seaside businesses do.

Plans for Future periods

Please see main objectives for the following year.

Statement of disclosure of information to Independent Examiner

We, the trustees of the Charity who held office at the date of approval of these financial statements, each confirm so far as we are aware, that:

- there is no relevant information of which the Charity's Independent Examiner is unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant information and to establish that the Charity's Independent Examiner is aware of that information.

Statement of Trustees's responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year. The Charity has elected to prepare its accounts on the Receipts and Payments basis in line with the Charities Act 2011 which allows non-company charities with an income of less than £250,000 to prepare their accounts on this basis.

The Trustees confirm that the accounts comply with the above requirements. The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustees Annual Report
For the year ending 31 March 2019**

Independent Examiner

During the year East Riding Voluntary Action Services (ERVAS) Limited, transferred its accountancy services to a wholly owned trading subsidiary, Phoenix Accountancy and Business Consultancy Limited. A resolution to appoint Independent Examiner's, Phoenix Accountancy and Business Consultancy Limited will be proposed at the forthcoming annual general meeting.

By order of the Board

Signature removed for Security Purposes

**Annette Jarvis
Chairperson**

23 January 2020

Independent Examiner's Report to the Members of Kingstrust Network CIO

I report on the accounts of Kingstrust Network CIO for the year ended 31 March 2019, which are set out on pages 11 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met.

**Independent Examiner's Report to the Members of
KingsTrust Network CIO**

(2) In my opinion, attention should be drawn to the following in order to enable a proper understanding of the accounts to be reached:

- During the year, the Charity became aware that a theft had occurred during the current year and the previous year. The estimated loss to the Charity is £2,794 this is based on the difference between cash income received by the Charity and cash income banked by the Charity over the two years. The charity has reported this to the Police and completed a Serious Incident Report to the Charity Commission.
- During the year, there were two unrecognised purchases from Paypal totalling £88. It is suspected that this is fraudulent activity and a report has been made to the Police.
- At the year-end the Charities unrestricted reserves were in deficit by £4 (2018: £584).
- Tim Jarvis has purchased goods on behalf of the Charity, at the year end the balance outstanding to Tim is £3,853 (2018: £3,570).
- The Charity is currently not in a sustainable position. In addition to the above, Tim Jarvis has also given donations of £4,500 to the Charity to enable it to continue to provide services to the Community.

Signature removed for Security Purposes

Sian Broughton ACMA, CGMA, DChA, MAAT

Chartered Management Accountant

Director of Phoenix Accountancy and Business Services Limited

Morley's Cottage

Morley's Yard

Walkergate

Beverley

HU17 9BY

24 January 2020

Receipts and Payments Account
For the year ended 31 March 2019

	Notes	2019 Unrestricted £	2019 Restricted £	2019 Total £	2018 Total £
RECEIPTS	1				
Sales		28,254	-	28,254	33,169
Donations		9,362	-	9,362	7,099
Fundraising		1,674	-	1,674	4,150
Grants		-	-	-	2,000
Rental Income		2,054	-	2,054	2,275
Interest		-	-	-	-
		41,344	-	41,344	48,693
PAYMENTS					
Staffing Costs	2 & 8	13,312	-	13,312	13,938
Rent		16,273	-	16,273	15,522
Utilities		2,880	-	2,880	3,878
Insurance		1,093	-	1,093	1,102
Profesional Fees/Licences		609	-	609	870
Travel Expenses		260	-	260	1,002
Volunteers Expenses		130	-	130	110
Goods for Resale (and commission)		4,452	-	4,452	4,297
Other Shop Running Costs		1,600	-	1,600	4,039
Christmas Hampers		-	1,093	1,093	877
Christmas Meals		-	-	-	98
Other Charitable Expenses		82	-	82	131
Office Costs		29	-	29	196
Events		-	-	-	250
Maintenance and Refurbishment		-	-	-	6,651
Theft/Card fraud	3	227	-	227	2,655
Charitable Donations		100	-	100	-
Miscellaneous		-	-	-	142
		41,047	1,093	42,140	55,758
Surplus/(Deficit) for the year	6	297	(1,093)	(796)	(7,065)
Trustee Loans	8	283	-	283	3,570
Net Surplus/(Deficit)		580	(1,093)	(513)	(3,495)
Cash & Bank Balances brought forward		(584)	1,987	1,403	4,898
Cash and Bank Balances carried forward		(4)	894	890	1,403

The notes on page 13-14 form part of these financial statements.

Statement of Assets and Liabilities**As at 31 March 2019**

	Notes	2019 £	2018 £
Monetary Assets			
HSBC– Current Account		690	736
HSBC– Savings Account		1	1
Cash in hand		199	666
Post Office Account		-	-
Total Monetary Assets		890	1,403
Comprising:			
Unrestricted Funds	5	(4)	(584)
Restricted Funds	4	894	1,987
		890	1,403
Non Monetary Assets and Liabilities			
Fixed Assets for the Charity's use (at cost)			
Computer Equipment		148	148
CCTV		66	66
		214	214
Other Current Assets			
Stock		1,156	347
Debtors		-	-
		1,156	347
Creditors			
Commission Payable		(273)	(211)
Trustees Loans/Outstanding Expenses	8	(3,853)	(3,570)
Payroll Taxes		-	(36)
Accounts Fee		(300)	(300)
		(4,426)	(4,117)
Net Non-Monetary Assets/(Liabilities)		(3,056)	(3,556)

These financial statements were approved by the committee on 23 January 2020 and signed on its behalf by:

Signature removed for Security Purposes

Annette Jarvis, Chairperson

Signature removed for Security Purposes

Timothy Jarvis, Treasurer

The notes on page 13-14 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2019

Notes

1 Basis of Preparation

These accounts have been prepared on a receipts and payments (R&P) basis in line with charity commission guidance for a charity of this size.

2 Staffing Costs

	2019	2018
Staffing Costs (Shop Managers payrolled)	13,312	12,868
Shop Manager (Self employed)	-	1,070
	<u>13,312</u>	<u>13,938</u>

3 Theft

At the beginning of the year whilst reconciling the amount of cash received to the amount banked, it became apparent that on a regular basis in the current and prior year somebody had been stealing funds from the Charity. This has been reported to the Police and the Charity Commission and new procedures have been put in place to reduce the risk of this happening in the future.

In addition, there were two paypal transactions that were not recognised by the Charity, these have been reported to the Police as they are suspected to be fraudulent activity.

4 Restricted Funds

	Opening Balance at 01/04/18 £	Receipts £	Payments £	Transfers Between Funds £	Closing Balance at 31/03/19 £
Micropot	1,987	-	(1,093)	-	894
	<u>1,987</u>	<u>-</u>	<u>(1,093)</u>	<u>-</u>	<u>894</u>

A brief description of the restricted funds are shown below:

Micropot

Restricted funding of £2,000 was received from Bud Hull Micropot for Xmas Hampers and Other Food and Supplies for families in the Withernsea and Filey areas.

Notes to the Financial Statements
For the year ended 31 March 2019**Notes****5 Unrestricted Funds**

At the year-end the Charities unrestricted reserves were in deficit by £4 (2018: £584). In addition loan repayments of £3,853 (2018: £3,570) are due to Tim Jarvis for items purchased on behalf of the Charity. Restricted funds have been used for cash flow purposes.

6 Taxation

The Charitable Incorporated Organisation (CIO) is a registered charity, registration number 1161181. All the CIO's income is applied to its charitable objectives and the Charity is therefore exempt under current legislation from most forms of taxation.

7 Trustee Remuneration/Related Party Transactions

During the year remuneration of £6,656 (2018: £7,332) was paid to Annette Jarvis, Chairperson of the Charity who is also employed by the Charity to work in the Filey shop. In addition, Tim Jarvis, Treasurer of the Charity is the husband of Annette Jarvis.

Tim Jarvis has purchased goods £283 (2018: £3,570) for the Charity which he is due to be reimbursed for. The total amount outstanding to Tim Jarvis at the year-end is £3,853. These have been recorded in the accounts and a corresponding cash loan has been recorded.

Tim Jarvis also donated £4,500 to the Charity during the year.

There was no reimbursement of travel expenses to Trustees paid during the year or in the prior year.