



Charity Registration No. 1117763

Company Registration No. 05981181 (England and Wales)

# **KAIROS COMMUNITY TRUST**

**Annual report and financial statements**

**For the year ended 31 March 2021**

# KAIROS COMMUNITY TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees And Directors</b>	Serina Aboim	(Appointed 27 May 2020)
	Rev Duncan Aitkins	
	Gerald Barry	
	Paul Carter	
	Shawn McCarthy	
	Jasper Mordhorst	
	Hanora Morrin	
	Sarah Potter	
<b>Secretary</b>	Dorothy Woodward-Pynn	
<b>Charity number</b>	1117763	
<b>Company number</b>	05981181	
<b>Registered office</b>	235 Valley Road Streatham London SW16 2AF	
<b>Auditor</b>	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY	

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# KAIROS COMMUNITY TRUST

## CONTENTS

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	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 26

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# KAIROS COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2021

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The trustees and directors present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with trust's memorandum and articles of association, the Companies Act 2006 and "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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### Objectives and activities

Kairos Community Trust, the "trust", has kept to its principal aim (outlined in its Memorandum of Articles of Association) of working with homeless and disadvantaged persons, especially those with alcohol and drug related problems. It offers a residential programme of support at three levels - post-detox and assessment, rehabilitation and move-on houses. It emphasises a communal style of living in all its houses.

The trust offers three stages of care to its client group:

#### 1st stage care

22 Linden Grove continues to be a registered hostel offering, with the co-operation and assistance of Sternhall Lane GP Practice, a programme of counselling and support (post-detox). This arrangement has been in operation for several years and offers a proven and excellent service.

#### 2nd stage - residential care

59 Bethwin Road continues to be a residential care home offering a treatment programme of counselling and therapy for people with alcohol and drug related problems. It obtains funds from Social Services for all those who benefit from the residential rehabilitation programme. It is now regulated by the Care Quality Commission, complying with the section 20 regulations of the Health and Social care Act 2008.

#### 2nd stage - non residential care (Garden Day Programme)

66 Nunhead Lane now provides a non residential day programme to people in the community. The programme has established a strong foothold in the community, providing an ever-growing service to those who cannot avail themselves of residential rehab.

#### 3rd stage care

Accommodation with added help and support is offered at this stage. The number of move-on houses is now 29, 17 of which are owned by Kairos, providing 182 beds in total. It is through these residential properties that the charity continues to offer support during the extended period of rehabilitation of its residents. More people coming into this stage of support are being encouraged to participate in the Kairos Aftercare Programme which operates three days a week.

In setting the above objectives and managing its activities the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

### Public Benefit

The trustees and directors have paid due regard to guidance issued by the Charity Commission in deciding what activities trust should undertake and complied with the duty in section 4 of the Charities Act 2011. The trustees believe that the trust conforms readily to the public benefit requirements of the Charity Commission. The reasons for this belief are:

Our charitable objective "to work with homeless and disadvantaged persons, especially those with alcohol and drug related problems and offering a residential programme of support at three levels - post-detox and assessment, rehabilitation and move-on houses in a communal style of living environment."



# KAIROS COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

For the year ended 31 March 2021

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### Achievements and performance

The trust continues to develop its services to homeless people with addiction related problems.

Kairos has a 'pathways' service from post-detox at Linden Grove (1st stage) either to a care home offering residential rehabilitation at Bethwin Road or to the non-residential programme Day Programme at Nunhead Lane (2nd stage), to supported Move-On accommodation (3rd stage) in one of 29 houses and finally to the Aftercare Programme which forms part of a process of preparing people for independent living. Client statistics for the year were as follows:

(Bethwin Road has low numbers due to CQC stopping admissions due to Covid-19)

Linden Grove	2020-21	103 admitted/71 completed (2019/20 76 admitted, 59 completed)
Bethwin Road	2020-21	24 admitted/14 completed (2019/20 46 admitted, 38 completed)
Garden Day Programme	2020-21	35 admitted/23 completed (2019/20 34 admitted, 28 completed)
Move-On Accommodation	2020-21	148 moved in/140 moved out (2019/20 141 moved in/112 moved out)

Other major events of the year were:

- Continued development of working relationships with many prisons.
- Updated website (address [www.kairoscommunity.org.uk](http://www.kairoscommunity.org.uk)).
- Corporate training in First Aid, Fire Marshall, Cross Addictions, Grief/Loss/Bereavement and Boundaries.
- Continued with Reaching Communities (National Lottery) as they fund our Complex needs worker.
- Updated brochure and website.
- Dr. Shona Blair, microbiologist, Imperial College became patron of Kairos Bee-keeping.
- Successfully tendered for services in Southwark again.
- Continued to pursue good environmental practices whenever possible e.g. increased bee-keeping, composting, recycling etc.

Major events subsequent to the year end:

- Continued to receive Lottery funding for complex needs worker up to its concluding date in June 2021.
- Received grant of £20,000 from CRASH to redevelop 66 Nunhead Lane, which was successfully completed in July 2021.
- Had mandatory training for all staff throughout the Charity.
- Formally opened the new development of 16 Limesdale Gardens on 19th August 2021.
- Completed development of two of the garages at Limesdale.
- Kairos-Prep set up for those who completed 28 days in rehab.
- Five year Business Plan for December 2020 to December 2025 ratified by the trustees.
- Several houses have been refurbished, especially, Glanville Road, Guildersfield Road, Linden Grove, Nunhead Lane.

COVID – 19 related:

- COVID-19 Lottery funded work with prisoners at Limesdale Gardens for six months. A dedicated support worker was appointed to take the lead in criminal justice matters and work at Limesdale Gardens.
- Received COVID-19, one-off. Grant from the Ministry of Housing, Communities, and Local Government (administered through Homeless Link) for Bethwin Road.
- Successfully applied the Business Continuity Plan throughout the pandemic lockdown.
- Lateral Flow and PCR testing carried out as per CQC requirements at Bethwin Road.
- All staff levels were maintained throughout the pandemic.
- Programmes were followed virtually or online when face to face meetings weren't allowed.
- Vaccinations arranged with Serina Aboim, trustee and local social inclusion nurse for all staff and residents amenable to receiving same.

The trustees wish to put on record their thanks to their loyal and hardworking staff and to all those who volunteer their time in many different capacities.

# KAIROS COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

For the year ended 31 March 2021

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### Financial review and reserves policy

The trust's principal sources of income continues to be housing benefit, Supporting People funding and residential care home fees, as well as funds raised from activities and appeals. Together these enable it to provide care and rehabilitation, mainly on a residential basis, to its client group, thus fulfilling its charitable aims. All the trust's assets are used directly or indirectly in furthering its charitable purpose. The net incoming resources for the financial year was £800,197.

At the balance sheet date total charity funds were £10,548,853 of which £9,698,754 was designated and restricted. The unrestricted general fund stood at £850,099, which met the criterion, laid down by the trustees, of providing for running costs for at least two months. The trust's main sources of income continue to be secure while it continues to provide the residential care to which it is committed.

In addition, the trustees are aware that the investment in property which is necessary to fulfil its aims can only be achieved if the trust continues to generate substantial surpluses. They have therefore earmarked the remaining unrestricted funds for the fulfilment of the plans set out above.

The trustees have reviewed the risks inherent in the activities of the trust. These include the remote possibility of a radical change in public policy such that its main sources of income were drastically reduced; maintaining its freehold property to a good standard in the face of some freak event; and the inherent risks arising from employment contracts. In view of these risks the trustees have resolved to seek to move towards retaining a balance in the general fund of at least £500,000.

### Future plans

The demand for the services and support offered by the trust continues to exceed its ability to provide for all applicants. The programme of steady growth will therefore continue so as to meet those needs. The trust intends to buy its own properties wherever possible.

Now that Linden Grove is a post-detox hostel, Kairos will continue to refine the 5-stage process of care and support. During the year the trust continued to monitor its staffing levels in order to improve its service to residents and to comply with current regulatory requirements. This will be a continuing need in the short term.

### Targets for the coming year

- The late John O'Sullivan, trustee, to be replaced by a practicing solicitor.
- Buy rather than rent property when possible and thereby consolidate the charity's financial revenue base.
- Focused training of staff to comply with relevant regulations and the Charity objectives.
- Develop volunteering and permitted work scheme (DWP).
- Continue to pursue good environmental practices wherever possible – increasing bee-keeping, composting, water collection etc.
- Look at fund-raising options.
- Managers to continue to work cooperatively on optimising Kairos' unique pathways programme.
- Continue to work on the development of Kairos' archives.
- The working of Linden, now as a post-detox hostel, will be promoted and monitored.
- An evaluation framework for the Charity will continue to be used at six month intervals.
- A reflection/dialogue on succession will be initiated and followed through by the Trustees.
- Will hold managers/deputy managers Away Day.
- Will continue prisoner work at North London houses and continue to develop the garages.
- Look at developing and refurbishing 20 Limesdale Gardens.
- A specific annual trustee's day set up.
- Continue to work with CRASH in all development and refurbishment of properties.
- Carry out further extension to 66 Nunhead Lane.
- Recommence Kairos+ counselling at Linden Grove.
- Continue to review and update policies.
- Review and update all job descriptions.

# KAIROS COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

For the year ended 31 March 2021

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### Covid - 19 Continuity Business Plan

Since the outbreak of the pandemic Kairos has put a successfully working Continuity Business Plan in place. This plan will be used for as long as is necessary and in response to changing need.

### Structure, governance and management

The trust is a charity, which was registered on 31 January 2007 under number 1117763, governed by a memorandum and articles of association dated 27 October 2006 and as amended on 24 November 2017. On 1 April 2007 it succeeded to the aims and objectives, and the assets, of a charity called by the same name, which in turn in 1997 had succeeded to the Kilburn Night Shelter.

The trust was incorporated as a company limited by guarantee on 27 October 2006. The trustees are also directors of the company. This report covers the year ended 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report.

New trustees are appointed by the existing trustees when they consider that additional skills or viewpoints are needed. Training for new and existing trustees is provided from time to time, as and when the trustee body identifies the need for it. Trustee meetings are held about nine times a year. The trustees appoint a committee which is entrusted with all ordinary decision-making, although constitutional powers remain with the trustees. They may co-opt additional committee members if they wish.

Personnel who are the directors of the charitable company, and the senior management team comprise the key management personal of the charity in charge of directing and controlling, running and operating the trust on a day to day basis, led by the Chief Executive Mossie Lyons. All trustees give up their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 11 and note 24.

The pay of senior staff is reviewed annually and normally increase in accordance with average earnings. The trustees benchmark salaries against pay levels in similar sized charities in the same sector, adjusting for additional responsibilities. If recruitment is difficult a market addition may be considered.

### Auditor

The auditors, WSM Advisors Limited, remain willing to be reappointed.

### Disclosure of information to auditor

Each of the trustees and directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees And Directors at the Trustee meeting on 16th November 2021.



**Paul Carter**

Trustee

Dated: 7 December 2021

# **KAIROS COMMUNITY TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 March 2021**

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The trustees who are also the directors of Kairos Community Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees and directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees and directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommend Practice;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The trustees and directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# KAIROS COMMUNITY TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES AND DIRECTORS OF KAIROS COMMUNITY TRUST

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#### Opinion

We have audited the financial statements of Kairos Community Trust (the 'trust') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 trust 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.

#### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19. All audits assess and challenge the reasonableness of estimates made by the members and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charitable company's future prospects and performance.

#### 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 trust'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 and directors 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 and directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

# KAIROS COMMUNITY TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES AND DIRECTORS OF KAIROS COMMUNITY TRUST

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees and directors**

As explained more fully in the statement of trustees' responsibilities, the trustees and directors, who are also the directors of the trust for the purpose 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 and directors 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 and directors are responsible for assessing the trust'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 and directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# KAIROS COMMUNITY TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES AND DIRECTORS OF KAIROS COMMUNITY TRUST

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**WSM Advisors Limited**

7 December 2021

**Chartered Accountants**

**Statutory Auditor**

Connect House  
133-137 Alexandra Road  
Wimbledon  
London  
SW19 7JY

WSM Advisors Limited is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# KAIROS COMMUNITY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	523,931	-	523,931	119,866
Charitable activities	4	2,239,918	93,864	2,333,782	2,773,050
Other trading activities	5	36,955	-	36,955	31,848
Investments	6	1,857	-	1,857	6,182
Other income	7	6,420	-	6,420	-
<b>Total income</b>		<b>2,809,081</b>	<b>93,864</b>	<b>2,902,945</b>	<b>2,930,946</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	6,592	-	6,592	21,430
Charitable activities expenditure	9	2,080,540	15,616	2,096,156	2,369,915
<b>Total resources expended</b>		<b>2,087,132</b>	<b>15,616</b>	<b>2,102,748</b>	<b>2,391,345</b>
<b>Net income before transfers</b>		<b>721,949</b>	<b>78,248</b>	<b>800,197</b>	<b>539,601</b>
Gross transfers between funds		(505,645)	505,645	-	-
<b>Net movement in funds</b>		<b>216,304</b>	<b>583,893</b>	<b>800,197</b>	<b>539,601</b>
Fund balances at 1 April 2020		633,795	9,114,861	9,748,656	9,209,054
<b>Fund balances at 31 March 2021</b>		<b>850,099</b>	<b>9,698,754</b>	<b>10,548,853</b>	<b>9,748,655</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# KAIROS COMMUNITY TRUST

## BALANCE SHEET

As at 31 March 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14		9,446,812		9,068,054
<b>Current assets</b>					
Debtors	15	188,949		168,632	
Cash at bank and in hand		1,522,339		1,154,284	
		<u>1,711,288</u>		<u>1,322,916</u>	
<b>Liabilities: amounts falling due within one year</b>	16	(294,264)		(313,030)	
Net current assets			<u>1,417,024</u>		<u>1,009,886</u>
<b>Total assets less current liabilities</b>			<u>10,863,836</u>		<u>10,077,940</u>
<b>Liabilities: amounts falling due after more than one year</b>	18		(314,983)		(329,285)
Net assets			<u><u>10,548,853</u></u>		<u><u>9,748,655</u></u>
<b>Income funds</b>					
Restricted funds	20		9,698,754		9,114,860
Unrestricted funds			850,099		633,795
			<u><u>10,548,853</u></u>		<u><u>9,748,655</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees And Directors on 7 December 2021



Paul Carter  
Trustee

Company Registration No. 05981181

# KAIROS COMMUNITY TRUST

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		769,132		647,470
<b>Investing activities</b>					
Purchase of tangible fixed assets		(395,270)		(323,829)	
Proceeds on disposal of tangible fixed assets		6,422		-	
Repayment of investment loans and receivables		216		(1,638)	
Investment income received		1,857		6,182	
<b>Net cash used in investing activities</b>			(386,775)		(319,285)
<b>Financing activities</b>					
Repayment of bank loans		(14,302)		(11,694)	
<b>Net cash used in financing activities</b>			(14,302)		(11,694)
<b>Net increase in cash and cash equivalents</b>			368,055		316,491
Cash and cash equivalents at beginning of year			1,154,284		837,793
<b>Cash and cash equivalents at end of year</b>			1,522,339		1,154,284

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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### 1 Accounting policies

#### Charity information

Kairos Community Trust is a private company limited by guarantee in England and Wales. The registered office is 235 Valley Road, London SW16 2AF. The company is also a registered charity with the registration number 1117763.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with trust's memorandum and articles of association, the Companies Act 2006 and "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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have undertaken an assessment of the adequacy of the resources available to the charity as well as the expected support to businesses available from the government measures in place through the period of disruption caused by coronavirus. The trustees have a reasonable expectation the charity has adequate resources to continue in operational existence for the foreseeable future accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees and directors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Transfers are made from the general fund to the property fund (designated and restricted fund) in each year to cover additions to property which have been funded out of ordinary income.

#### 1.4 Incoming resources

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. This applies to grant and rental income.

Voluntary income is received by way of donations and gift aid tax. Donations are recognised when received and gift aid tax is accrued on applicable donations in the same year.

Income from fundraising events is recognised when it has been earned, provided it can be quantified.

Investment income is recognised when receivable. Bank interest has been received net of income tax.

Grants are recognised when the charity becomes unconditionally entitled to the grant. Grants to fund the purchase of fixed assets are taken to income when received.

Income from government and other public authorities is recognised when it is receivable.

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised on an accruals basis as liabilities are incurred. Expenditure includes unrecoverable VAT, which is reported as part of the cost to which it relates. Costs relating to a particular activity are allocated directly, whereas support costs are apportioned in relation to usage as specified in note 9.

Costs of generating funds comprise costs associated with donations and fundraising events.

Charitable expenditure comprises all the costs of providing the programme of rehabilitation from alcohol and drug dependency with accommodation and support, together with an appropriate proportion of support costs. The allocation of support costs is set out in note 9.

Governance costs include the cost of meeting the charity's statutory requirements and strategic management. The allocation of governance costs is set out in note 9.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Freehold property	0% per annum
Long leasehold property	0% per annum
Medical and gym equipment	25% per annum
Furniture and equipment	25% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

#### 1.10 Pension costs

Certain employees are members of a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable.

#### 1.11 VAT

The charity is not registered for VAT and accordingly expenditure is shown gross, including irrecoverable VAT.

### 2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees and directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 3 Donations and legacies

	2021	2020
	£	£
Donations and gifts - unrestricted funds	243,979	30,865
Grants	279,952	89,001
	<u>523,931</u>	<u>119,866</u>
<b>Grants receivable for core activities</b>		
Big Lottery Fund	85,077	34,356
Cross Roads Care South East London	-	1,200
CRASH	24,960	40,000
Community Southwark	12,487	1,125
Maudley Charity	12,480	6,240
SP Wandsworth	3,489	6,080
Islington	244	-
HMRC Grants	48,673	-
Bexley Council	4,420	-
Homeless Link	58,958	-
Lambeth	29,165	-
	<u>279,952</u>	<u>89,001</u>

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

4 Charitable activities	Care home and aftercare fees	Housing benefit	Supporting People funding	Residents' Contribution	Grants (See below)	Total 2021	Total 2020
	£	£	£	£	£	£	£
Income from charitable activities	371,158	1,700,906	39,880	127,974	93,864	2,333,782	2,773,050
<b>Analysis by fund</b>							
Unrestricted funds	371,158	1,700,906	39,880	127,974	-	2,239,918	
Restricted funds	-	-	-	-	93,864	93,864	
	371,158	1,700,906	39,880	127,974	93,864	2,333,782	
<b>For the year ended 31 March 2020</b>							
Unrestricted funds	552,845	1,790,355	39,880	139,970	-		2,523,050
Restricted funds	-	-	-	-	250,000		250,000
	552,845	1,790,355	39,880	139,970	250,000		2,773,050
<b>Grants</b>							
Medjugorje fund					93,864	93,864	250,000
					93,864	93,864	250,000
<b>Incoming resources from government and public authorities</b>							
Care home and aftercare fees, housing benefit and income from the Supporting People scheme, totalling £2,154,235 (2020: £2,383,080), have been received from government and public authorities.							

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 5 Other trading activities

	2021	2020
	£	£
Rent and miscellaneous income	23,697	19,791
Fundraising events	13,258	12,057
	<u>          </u>	<u>          </u>
Other trading activities - unrestricted funds	36,955	31,848
	<u>          </u>	<u>          </u>

### 6 Investments

	2021	2020
	£	£
Interest receivable - unrestricted funds	1,857	6,182
	<u>          </u>	<u>          </u>

### 7 Other income

	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	6,420	-
	<u>          </u>	<u>          </u>

### 8 Raising funds

	2021	2020
	£	£
Publicity and fundraising	194	14,662
Support costs	6,098	6,359
Governance costs	300	409
	<u>          </u>	<u>          </u>
Fundraising and publicity from unrestricted funds	6,592	21,430
	<u>          </u>	<u>          </u>



# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 9 Charitable activities expenditure

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Salaries, NI and pension contributions	900,337	-	900,337	862,186
Ex gratia payments	1,547	-	1,547	837
Counsellors' fees	9,254	-	9,254	12,487
Therapists	4,203	-	4,203	10,357
Drug and alcohol testing	10,153	-	10,153	9,110
Volunteers' and counsellors' expenses	42,605	-	42,605	53,580
Housing costs	670,116	-	670,116	663,570
Food and household supplies	79,461	-	79,461	94,886
Transport	22,824	-	22,824	31,760
Interest payments	9,670	-	9,670	12,277
Medjugorje costs	-	15,616	15,616	278,987
Depreciation	16,511	-	16,511	8,264
	<u>1,766,681</u>	<u>15,616</u>	<u>1,782,297</u>	<u>2,038,301</u>
Share of support costs (see note 10)	301,350	-	301,350	311,586
Share of governance costs (see note 10)	12,509	-	12,509	20,028
	<u>2,080,540</u>	<u>15,616</u>	<u>2,096,156</u>	<u>2,369,915</u>
<b>Analysis by fund</b>				
Unrestricted funds	2,080,540	-	2,080,540	
Restricted funds	-	15,616	15,616	
	<u>2,080,540</u>	<u>15,616</u>	<u>2,096,156</u>	
<b>For the year ended 31 March 2020</b>				
Unrestricted funds	2,090,928	-		2,090,928
Restricted funds	-	278,987		278,987
	<u>2,090,928</u>	<u>278,987</u>		<u>2,369,915</u>

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 10 Support costs

	Support costs	Governance costs	2021	2020	
	£	£	£	£	
Administration salaries	213,991	-	213,991	216,880	
Telephone	20,753	-	20,753	21,442	
Office supplies	27,534	-	27,534	23,568	
Subscriptions and licences	4,868	-	4,868	4,755	
Courses and training	17,459	-	17,459	20,280	
Miscellaneous social activities	1,684	-	1,684	2,933	
Insurance	11,833	-	11,833	11,293	
Bank charges	2,203	-	2,203	3,091	
Bad debts	6,621	-	6,621	12,839	
Sundry	502	-	502	864	
Legal and professional fees	-	2,310	2,310	5,483	Governance
Audit and taxation fees	-	8,676	8,676	13,129	Governance
Payroll fees	-	1,823	1,823	1,825	Governance
	<u>307,448</u>	<u>12,809</u>	<u>320,257</u>	<u>338,382</u>	
<b>Analysed between</b>					
Fundraising	6,098	300	6,398	6,768	
Charitable activities	301,350	12,509	313,859	331,614	
	<u>307,448</u>	<u>12,809</u>	<u>320,256</u>	<u>338,382</u>	

Support costs and governance costs are apportioned on the following basis-

- Charitable activities 98%
- Activities to generate funds 2%

Governance costs includes payments to the auditors of £7,536 (2020: £7,200) for audit fees and non audit services of £2,400 (2020: £2,340) inclusive of VAT.

### 11 Trustees And Directors

None of the trustees and directors (or any persons connected with them) received any remuneration or benefits from the trust during the year.

Trustee liability insurance was included within the premium paid for general insurance.

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	41	40
	<hr/>	<hr/>
Wages and salaries	1,004,660	975,447
Social security costs	91,784	86,478
Other pension costs	17,884	17,141
	<hr/>	<hr/>
	1,114,328	1,079,066
	<hr/>	<hr/>

There were no employees whose annual remuneration was £60,000 or more.

### 13 Taxation

The charitable company is subject to the taxation relief applicable to charities and is exempt from corporation tax as all its income is applied for charitable purposes.

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

14	Tangible fixed assets	Freehold property £	Long leasehold property £	Medical and gym equipment £	Furniture and equipment £	Motor vehicles £	Total £
	<b>Cost</b>						
	At 1 April 2020	8,964,243	89,291	4,256	122,980	48,270	9,229,040
	Additions	352,257	-	-	16,252	26,761	395,270
	Disposals	-	-	-	-	(24,102)	(24,102)
	At 31 March 2021	9,316,500	89,291	4,256	139,232	50,929	9,600,208
	<b>Depreciation and impairment</b>						
	At 1 April 2020	-	-	4,256	112,056	44,675	160,987
	Depreciation charged in the year	-	-	-	8,622	7,889	16,511
	Eliminated in respect of disposals	-	-	-	-	(24,102)	(24,102)
	At 31 March 2021	-	-	4,256	120,678	28,462	153,396
	<b>Carrying amount</b>						
	At 31 March 2021	9,316,500	89,291	-	18,554	22,467	9,446,812
	At 31 March 2020	8,964,243	89,291	-	10,925	3,595	9,068,054

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 15 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	139,331	122,567
Other debtors	36,695	37,584
Prepayments	12,923	8,481
	<u>188,949</u>	<u>168,632</u>

Included in other debtors are amounts for loans to staff and residents totalling £10,492 (2020: £11,135).

### 16 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	17	23,973	23,973
Other taxation and social security		18,466	20,916
Accounts payable		58,830	52,142
Housing benefit refundable		175,235	195,623
Accruals		17,760	20,376
		<u>294,264</u>	<u>313,030</u>

### 17 Loans and overdrafts

	2021	2020
	£	£
Bank loans	338,956	353,258
	<u>338,956</u>	<u>353,258</u>
Payable within one year	23,973	23,973
Payable after one year	314,983	329,285
	<u>314,983</u>	<u>329,285</u>

The mortgage from Barclays Bank plc is repayable over 25 years from December 2015. It carries interest linked to the Bank of England's base rate, with the possibility of variation. It is secured upon freehold property owned by the charitable company.

### 18 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Bank loans	17	314,983	329,285
		<u>314,983</u>	<u>329,285</u>

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 19 Pension schemes

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund. The pension cost represents contributions payable by the trust to the fund. Contributions totalling £17,884 were made in the year (2020: £17,141). £7,824 was payable at the end of year (2020: £10,836).

# KAİROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 20 Restricted funds

	Balance at 1 April 2019 £	Movement in funds			Transfers £	Balance at 1 April 2020 £	Movement in funds			Transfers £	Balance at 31 March 2021 £
		Incoming resources £	Resources expended £				Incoming resources £	Resources expended £			
Gym equipment fund	4,463	-	-	-	-	4,463	-	-	-	-	4,463
Medjugorje fund	239,238	250,000	(278,987)	-	-	210,251	93,864	(15,616)	-	-	288,499
Property fund	8,461,422	-	-	-	438,724	8,900,147	-	-	505,645	505,645	9,405,792
	8,705,123	250,000	(278,987)		438,724	9,114,861	93,864	(15,616)	505,645	505,645	9,698,754

The Medjugorje fund is funded by anonymous donors, to enable some Kairos residents to visit the shrine at Medjugorje in Bosnia as a part of their rehabilitation process.

# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019 £	Transfers £	Balance at 1 April 2020 £	Transfers £	Balance at 31 March 2021 £
Property fund	8,461,422	438,724	8,900,146	505,645	9,405,791
	<u>8,461,422</u>	<u>438,724</u>	<u>8,900,146</u>	<u>505,645</u>	<u>9,405,791</u>

This was set up in 1995 by the Kilburn Night Shelter Project, the predecessor of this trust, in order to acquire property to house rehabilitated residents. This general purpose includes any additions to owned properties such as building extensions, major refurbishment and improvements. Transfers from the general fund have been made as required each year, to fund the planned purchases and refurbishments undertaken.

During the year the trust extended one property. The transfer from general funds represented half of the acquisition cost of the property purchased last year and half of the acquisition cost for the extension this year. This was to preserve the general fund level at excess of £500,000. The other half of the the total cost has been arranged to be transferred out from the general fund from next year's net income.

### 22 Analysis of net assets between funds

	General funds	Restricted and designated funds	Total	General funds	Restricted and designated funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	41,021	9,405,791	9,446,812	167,908	8,900,146	9,068,054
Current assets/(liabilities)	1,417,024	-	1,417,024	795,172	214,714	1,009,886
Long term liabilities	(314,983)	-	(314,983)	(329,285)	-	(329,285)
	<u>1,143,062</u>	<u>9,405,791</u>	<u>10,548,853</u>	<u>633,795</u>	<u>9,114,860</u>	<u>9,748,655</u>

### 23 General fund

The trustees have resolved to seek to retain a balance in the general fund of at least £500,000.



# KAIROS COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 24 Related party transactions

The trust considers that its only related parties are the trustees and directors.

During the year the trust underwent no transactions with related parties (2020: Nil).

No balances were outstanding at the end of the year (2020: Nil).

25 Cash generated from operations	2021 £	2020 £
Surplus for the year	800,197	539,601
Adjustments for:		
Investment income recognised in statement of financial activities	(1,857)	(6,182)
Gain on disposal of tangible fixed assets	(6,420)	-
Depreciation and impairment of tangible fixed assets	16,511	8,264
Movements in working capital:		
(Increase)/decrease in debtors	(20,533)	48,544
(Decrease)/increase in creditors	(18,766)	57,243
<b>Cash generated from operations</b>	<b>769,132</b>	<b>647,470</b>
Difference	(31,751)	-
Per cash flow statement page	737,381	647,470

### 26 Analysis of changes in net funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,154,284	368,055	1,522,339
Loans falling due within one year	(23,973)	-	(23,973)
Loans falling due after more than one year	(329,285)	14,302	(314,983)
	<b>801,026</b>	<b>382,357</b>	<b>1,183,383</b>

