

Charity registration number 1117763

Company registration number 05981181 (England and Wales)

KAIROS COMMUNITY TRUST

Annual report and financial statements

For the year ended 31 March 2022

KAIROS COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees And Directors

Serina Aboim
Rev Duncan Aitkins
Gerald Barry
Paul Carter
Shawn McCarthy
Jasper Mordhorst
Hanora Morrin
Sarah Potter
Carlo D'Agostino

(Appointed 27 September
2022)

Secretary

Dorothy Woodward-Pynn

Charity number

1117763

Company number

05981181

Registered office

235 Valley Road
Streatham
London
SW16 2AF

Auditor

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

KAIROS COMMUNITY TRUST

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KAIROS COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2022

The trustees and directors present their report and financial statements for the year ended 31 March 2022.

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, 18 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.

KAIROS COMMUNITY TRUST

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

For the year ended 31 March 2022

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.”

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	2021-22	96 admitted/59 completed (2020/21	103 admitted, 71 completed)
Bethwin Road	2021-22	35 admitted/22 completed (2020/21	24 admitted, 14 completed)
Garden Day Programme	2021-22	43 admitted/25 completed (2020/21	35 admitted, 23 completed)
Move-On Accommodation	2021-22	177 moved in/171 moved out (2020/21	148 moved in/140 moved out)

Other major events of the year were:

- Continued reviewing and updating of policies and procedures.
- Worked with CRASH in securing grants and material help for the building of extensions and refurbishments.
- Continued with developing working relationships with prisons.
- Expansion of the bee-keeping project.
- Training was done via Social Work TV.
- Carried on with plans outlined in the last accounts around protecting staff, volunteers and residents from contracting COVID-19.

Major events subsequent to the year end:

- Continued to receive Lottery funding for complex needs worker up to its concluding date in June 2021.
- Upgraded accounts system to Quickbooks Intuit to facilitate ongoing submission of accounts to auditors.
- Completed the extension of Nunhead Lane.
- A solicitor has been appointed to the trustee/director committee.
- Purchased an eight-bedroomed Move-On house in Lambeth – Fernwood Avenue.
- Extensive focused training.
- Continued refurbishments of houses especially Fernwood, Brixton, one of the houses in Stondon Park, Linden Grove and Bethwin Road.
- Applied for a National Lottery grant for our work with ex-offenders in Limesdale Gardens.
- Continued development of the website.
- A managers/deputies Away Day is arranged in January 2023.
- Supervision and support for volunteers.

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 2022

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 £364,729.

At the balance sheet date total charity funds were £10,913,582 of which £9,813,300 was designated and restricted. The unrestricted general fund stood at £1,100,282, 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.

KAIROS COMMUNITY TRUST

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

For the year ended 31 March 2022

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

- Purchase of a five-bedroomed Move-On house in Lambeth – Ellison Road (currently renting).
- Installation of a new shower room at one of the houses in Limesdale Gardens and work with CRASH on the development of the house.
- Continue with our work on COVID-19.
- Develop placements in Health & Social care sector for residents.
- Develop job and volunteering opportunities.
- Buy rather than rent property when possible and thereby consolidate the charity's financial revenue base.
- Focused training (mandatory) of staff and volunteers 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.
- Managers to continue to work cooperatively on optimising Kairos' unique pathways programme.
- Continue to work on the development of Kairos' archives.
- 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.
- Continue to review and update policies.
- Continue to put in place COVID-19 precautionary steps e.g. isolation rooms and Bethwin and Linden; regular testing etc.
- Review staffing at Bethwin.
- Review assessment format for Move-On houses.
- Review and update all job descriptions.

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 2022.

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

KAIROS COMMUNITY TRUST

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

For the year ended 31 March 2022

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 personnel 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 17 January 2023.

Paul Carter

Trustee

Dated: 17 January 2023



KAIROS COMMUNITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2022

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 Recommended 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

Opinion

We have audited the financial statements of Kairos Community Trust (the 'trust') for the year ended 31 March 2022 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 2022 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

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.

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

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, performing a proof in total calculation to gain assurance over completeness of revenue, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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

Simon Marsh (Senior Statutory Auditor)
for and on behalf of WSM Advisors Limited

17 January 2023

Chartered Accountants
Statutory Auditor

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

KAIROS COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>					
Donations and legacies	3	96,447	-	96,447	523,931
Charitable activities	4	2,365,269	19,943	2,385,212	2,333,782
Other trading activities	5	61,289	-	61,289	36,955
Investments	6	1,341	-	1,341	1,857
Other income	7	4,760	-	4,760	6,420
Total income		2,529,106	19,943	2,549,049	2,902,945
<u>Expenditure on:</u>					
Raising funds	8	6,816	-	6,816	6,592
Charitable activities expenditure	9	2,167,504	10,000	2,177,504	2,096,156
Total resources expended		2,174,320	10,000	2,184,320	2,102,748
Net income before transfers		354,786	9,943	364,729	800,197
Gross transfers between funds		(104,603)	104,603	-	-
Net movement in funds		250,183	114,546	364,729	800,197
Fund balances at 1 April 2021		850,099	9,698,754		10,548,853
Fund balances at 31 March 2022		1,100,282	9,813,300	10,913,582	

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

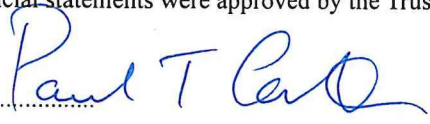
BALANCE SHEET

As at 31 March 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		9,573,902		9,446,812
Current assets					
Debtors	15	217,039		188,949	
Cash at bank and in hand		1,694,183		1,522,339	
		<u>1,911,222</u>		<u>1,711,288</u>	
Liabilities: amounts falling due within one year	16	<u>(271,163)</u>		<u>(294,264)</u>	
Net current assets			1,640,059		1,417,024
Total assets less current liabilities			11,213,961		10,863,836
Liabilities: amounts falling due after more than one year	18		(300,379)		(314,983)
Net assets			<u>10,913,582</u>		<u>10,548,853</u>
Income funds					
Restricted funds	20		9,813,300		9,698,754
Unrestricted funds			1,100,282		850,099
			<u>10,913,582</u>		<u>10,548,853</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 17.01.2023


Paul Carter
Trustee

Company Registration No. 05981181

KAIROS COMMUNITY TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	25		336,184		769,134
Investing activities					
Purchase of tangible fixed assets		(155,944)		(395,270)	
Proceeds on disposal of tangible fixed assets		4,760		6,420	
Repayment of investment loans and receivables		108		216	
Investment income received		1,341		1,857	
Net cash used in investing activities			(149,735)		(386,777)
Financing activities					
Repayment of bank loans		(14,604)		(14,302)	
Net cash used in financing activities			(14,604)		(14,302)
Net increase in cash and cash equivalents			171,845		368,055
Cash and cash equivalents at beginning of year			1,522,339		1,154,284
Cash and cash equivalents at end of year			1,694,183		1,522,339

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 the statement of financial activities.

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 2022

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 2022

3 Donations and legacies

	2022	2021
	£	£
Donations and gifts - unrestricted funds	18,262	243,979
Grants	78,185	279,952
	<u>96,447</u>	<u>523,931</u>
Grants receivable for core activities		
Big Lottery Fund	-	85,077
CRASH	-	24,960
Community Southwark	47,650	12,487
Maudley Charity	3,120	12,480
SP Wandsworth	17,459	3,489
Islington	-	244
HMRC Grants	8,516	48,673
Bexley Council	1,440	4,420
Homeless Link	-	58,958
Lambeth	-	29,165
	<u>78,185</u>	<u>279,952</u>

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

4 Charitable activities	Care home and aftercare fees £	Housing benefit £	Supporting People funding £	Residents' Contribution £	Grants (See below) £	Total 2022 £	Total 2021 £
Income from charitable activities	482,314	1,714,930	39,880	128,145	19,943	2,385,212	2,333,782
Analysis by fund							
Unrestricted funds	482,314	1,714,930	39,880	128,145	-	2,365,269	
Restricted funds	-	-	-	-	19,943	19,943	
	482,314	1,714,930	39,880	128,145	19,943	2,385,212	
For the year ended 31 March 2021							
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
Grants							
Medjugorje fund						19,943	93,864
						19,943	93,864

Incoming resources from government and public authorities

Care home and aftercare fees, housing benefit and income from the Supporting People scheme, totalling £2,237,124 (2021: £2,111,943), have been received from government and public authorities.

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

5 Other trading activities

	2022	2021
	£	£
Rent and miscellaneous income	54,359	23,697
Fundraising events	6,930	13,258
	<u> </u>	<u> </u>
Other trading activities - unrestricted funds	<u>61,289</u>	<u>36,955</u>

6 Investments

	2022	2021
	£	£
Interest receivable - unrestricted funds	1,341	1,857
	<u> </u>	<u> </u>

7 Other income

	2022	2021
	££	
Net gain on disposal of tangible fixed assets	4,760	6,420
	<u> </u>	<u> </u>

8 Raising funds

	2022	2021
	£	£
Publicity and fundraising	17	194
Support costs	6,280	6,098
Governance costs	519	300
	<u> </u>	<u> </u>
Fundraising and publicity from unrestricted funds	<u>6,816</u>	<u>6,592</u>

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

9 Charitable activities expenditure

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Salaries, NI and pension contributions	920,547	-	920,547	900,337
Ex gratia payments	262	-	262	1,547
Counsellors' fees	11,970	-	11,970	9,254
Therapists	8,385	-	8,385	4,203
Drug and alcohol testing	14,570	-	14,570	10,153
Volunteers' and counsellors' expenses	49,471	-	49,471	42,605
Housing costs	680,355	-	680,355	670,116
Food and household supplies	87,473	-	87,473	79,461
Transport	23,073	-	23,073	22,824
Interest payments	9,369	-	9,369	9,670
Medjugorje costs	-	10,000	10,000	15,616
Depreciation	28,855	-	28,855	16,511
	<u>1,834,330</u>	<u>10,000</u>	<u>1,844,330</u>	<u>1,782,297</u>
Share of support costs (see note 10)	307,739	-	307,739	301,350
Share of governance costs (see note 10)	25,435	-	25,435	12,509
	<u>2,167,504</u>	<u>10,000</u>	<u>2,177,504</u>	<u>2,096,156</u>
Analysis by fund				
Unrestricted funds	2,167,504	-	2,167,504	
Restricted funds	-	10,000	10,000	
	<u>2,167,504</u>	<u>10,000</u>	<u>2,177,504</u>	
For the year ended 31 March 2021				
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>

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

10 Support costs

	Support costs	Governance costs	2022	2021	
	£	£	£	£	
Administration salaries	202,030	-	202,030	213,991	
Telephone	25,745	-	25,745	20,753	
Office supplies	36,750	-	36,750	27,534	
Subscriptions and licences	4,763	-	4,763	4,868	
Courses and training	7,859	-	7,859	17,459	
Miscellaneous social activities	5,991	-	5,991	1,684	
Insurance	12,310	-	12,310	11,833	
Bank charges	2,098	-	2,098	2,203	
Bad debts	16,474	-	16,474	6,621	
Sundry	-	-	-	502	
Legal and professional fees	-	8,977	8,977	2,310	Governance
Audit and taxation fees	-	15,040	15,040	8,676	Governance
Payroll fees	-	1,937	1,937	1,823	Governance
	<u>314,020</u>	<u>25,954</u>	<u>339,974</u>	<u>320,257</u>	
Analysed between					
Fundraising	6,280	519	6,799	6,398	
Charitable activities	307,740	25,435	333,175	313,859	
	<u>314,020</u>	<u>25,954</u>	<u>339,974</u>	<u>320,257</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 £12,600 (2021: £7,536) for audit fees and non audit services of £5,400 (2021: £2,400) 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 2022

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	42	41
Wages and salaries	1,044,701	1,004,660
Social security costs	60,291	91,784
Other pension costs	17,585	17,884
	1,122,577	1,114,328

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Tangible fixed assets

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KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

15 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	166,711	139,331
Other debtors	36,119	36,695
Prepayments	14,209	12,923
	<u>217,039</u>	<u>188,949</u>

Included in other debtors are amounts for loans to staff and residents totalling £15,743 (2021: £10,492).

16 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	17	23,973	23,973
Other taxation and social security		21,251	18,466
Accounts payable		46,301	58,830
Housing benefit refundable		148,994	175,235
Accruals		30,644	17,760
		<u>271,163</u>	<u>294,264</u>

17 Loans and overdrafts

	2022	2021
	£	£
Bank loans	<u>324,352</u>	<u>338,956</u>
Payable within one year	23,973	23,973
Payable after one year	<u>300,379</u>	<u>314,983</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	2022	2021
		£	£
Bank loans	17	<u>300,379</u>	<u>314,983</u>

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

19 Retirement benefit 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 £17,585 were made in the year (2021: £17,884). £16,144 was payable at the end of year (2021: £7,824).

20 Restricted funds

	Movement in funds						
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2021 £	Resources expended £	Balance at 31 March 2022 £
Gym equipment fund	4,463	-	-	-	4,463	-	4,463
Medjugorje fund	210,251	93,864	(15,616)	-	288,499	9,943	298,442
Property fund	8,900,147	-	-	505,645	9,405,792	104,603	9,510,395
	<u>9,114,861</u>	<u>93,864</u>	<u>(15,616)</u>	<u>505,645</u>	<u>9,698,754</u>	<u>114,546</u>	<u>9,813,300</u>

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.

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:

	Movement in funds				
	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Incoming resources £	Balance at 31 March 2022 £
Property fund	8,900,146	505,645	9,405,791	104,603	9,510,394
	<u>8,900,146</u>	<u>505,645</u>	<u>9,405,791</u>	<u>104,603</u>	<u>9,510,394</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.

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

22 Analysis of net assets between funds

	General funds	Restricted and designated funds	Total	General funds	Restricted and designated funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	63,508	9,510,394	9,573,902	41,021	9,405,791	9,446,812
Current assets/(liabilities)	1,337,154	302,905	1,640,059	1,417,024	-	1,417,024
Long term liabilities	(300,379)	-	(300,379)	(314,983)	-	(314,983)
	<u>1,100,283</u>	<u>9,813,299</u>	<u>10,913,582</u>	<u>1,143,062</u>	<u>9,405,791</u>	<u>10,548,853</u>

23 General fund

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

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 (2021: Nil).

No balances were outstanding at the end of the year (2021: Nil).

25 Cash generated from operations

	2022 £	2021 £
Surplus for the year	364,729	800,197
Adjustments for:		
Investment income recognised in statement of financial activities	(1,341)	(1,857)
Gain on disposal of tangible fixed assets	(4,760)	(6,420)
Depreciation and impairment of tangible fixed assets	28,855	16,511
Movements in working capital:		
(Increase) in debtors	(28,198)	(20,533)
(Decrease) in creditors	(23,101)	(18,766)
Cash generated from operations	<u>336,184</u>	<u>769,132</u>

KAIROS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

26 Analysis of changes in net funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,522,339	171,844	1,694,183
Loans falling due within one year	(23,973)	-	(23,973)
Loans falling due after more than one year	(314,983)	14,604	(300,379)
	<u>1,183,383</u>	<u>186,448</u>	<u>1,369,831</u>