

Charity registration number 1134492

Company registration number 07118491 (England and Wales)

DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	John Samuel (Chair)	
	John Taylor	
	Paul Chambers	
	Ivan Baird	
	Philip Long	(Appointed 3 March 2022)
	Angela Vincent	(Appointed 3 March 2022)
	Ali Azzopardi	
	Gareth Batten	
	Tim Totton	
	Siobhan Temple	
	Chuck Bateman	
	Stephen Pryor	
Charity number	1134492	
Company number	07118491	
Registered office	Duke Street Richmond Surrey TW9 1DH	
Auditor	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW	
Bankers	Barclays Bank plc	

DUKE STREET CHURCH (RICHMOND-UPON-THAMES) CONTENTS

	Page
Trustees' report	1 - 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 - 23

DUKE STREET CHURCH (RICHMOND-UPON-THAMES) TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 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 the Church's Memorandum & 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) (effective 1 January 2019)".

Objectives and activities

The Church's mission is to glorify God by making disciples from all nations. To achieve this, our strategy is to "Reach-Build-Send". This means that we reach out with the message to those who have not yet heard or understood the great news of rescue through the Lord Jesus Christ; build up believers in their life of trusting and obeying the Lord Jesus Christ; and send out people who will take the message of this great news to London and to the "ends of the earth".

Our values reflect the kind of Church we want to be if we are, with God's help, to pursue our strategy and achieve our vision: we seek to be prayerful, Bible-driven, 'growing more like Jesus', 'loving and generous', 'passionate to share good news', and 'looking to the future'.

The trustees have paid due regard to public benefit guidance issued by the Charity Commission in deciding what activities the church should undertake.

It is part of the responsibility of the Church Council to make donations to individuals or charitable organisations with activities which are sympathetic to those of the Church or are for welfare purposes. During the period grants totalling £76,571 (2021: £99,694) were made and details are shown in note 10 to the accounts.

Achievements and performance

As a church we are constantly dependent on God for everything and take confidence in knowing that all that happens is within his providential care. This has been a great assurance to us as we have continued the work of the church amidst the backdrop of the disruptive yet necessary works to the auditorium and the developing geopolitical situation with a cost-of-living crisis on our own shores and conflict abroad. We were able to remember God's grace to us as we celebrated our 150th anniversary of being a church in Richmond. It was a special time for the church family.

Our Senior Minister, John Samuel, has been with the Church since 2012 and seeks to deliver week-by-week Bible preaching, whether through on-line ministry, or in person. John is supported by our Associate Minister, Simon Pethick, who is also committed to Bible-driven ministry.

We remain fully committed to outreach in the local area and further afield and many of the activities of the church contain strong "reach out" elements. We have met throughout the year each week for our two Sunday services. We have continued online streaming of our morning services to enable members and guests to join remotely. We hosted a series of events during the year designed to introduce people to the Christian faith, which included two music-based events, a quiz evening and a lunch and talk designed for Seniors. We continue to make our building available to local businesses and societies whenever possible, but opportunities have been limited as a consequence of the renovation project which prevented use of the auditorium for most of the year.

Duke Street Church has a long history of supporting mission work and this continued unaffected through 2022. We remain committed to our vision to be a sending church and are involved in cross-cultural mission in the UK and around the world. In 2022, we continued to support the work of Mission Partners serving in different countries through various sending agencies. In addition, we have also supported projects in Cuba, Zambia and Slovakia as well as a local schools outreach project in Richmond.

We were delighted to welcome Henry Young to our staff, who joined us in August 2022 as Pastor-In-Training with responsibility for youth work. That aside, the staff team remained consistent through the year.

In January 2023 John Samuel announced his intention to retire in July 2023. We are enormously grateful to John for his wise leadership of the church and gospel faithfulness. The Church Council has formed a Pastoral Search Group which is tasked with identifying a suitable successor.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

We are registered as Duke Street Church, a charitable company and an independent charity. This provides full compliance with the regulations from the Charity Commission and retains the church's charitable status for Gift Aid and tax purposes. The transfer of assets to the new company was substantially completed in 2012. We are currently working towards becoming a Charitable Incorporated Organisation, which will further streamline our operations. We hope this will complete in 2023.

Financial review

As at 31 December 2022 the Church reported net assets of £6.6 million (2021: £6.6 million), primarily comprising fixed assets of £7.6 million (2021: £6.4 million) which comprise the auditorium and associated property on Duke Street, Richmond and the Church Manse. The church also has cash balances of £0.11 million (2021: £0.97 million) and borrowings of £0.9 million (2021: £0.6million). £0.6 million of this relates to a mortgage taken out in 2008 to partly finance a redevelopment of the church buildings and £0.3 million relates to new drawings during the year which partly financed the auditorium renovation. In January 2023 we drew a further £0.35 million on this facility.

Duke Street is financially dependent on members and friends of the church and is grateful to God for their sacrificial giving. Income in 2022 of £0.65 million (2021: £1.0m) included £152k (2021: £383k) of giving towards the auditorium project. Excluding the auditorium project, income was at £578k (2021: £602k) despite the ongoing economic situation.

The Church seeks to manage its costs carefully and is particularly aware of the difficult economic circumstances and the likely financial strain of the planned auditorium project. Excluding the impacts of impairment on the value of the church building and the flats, costs in 2022 were £645k (2021: £545K). The Church spends much of its income on the staff it employs, both ministerial and administrative; the cost of maintaining its premises, including interest costs on the mortgage and on financial support for Mission Partners.

During the year we have capitalised an additional £1.4 million as a result of the works that have been done to improve the auditorium. £1.1 million of this has been capitalised as Land and Buildings, whilst £326k has been recognised as Furniture and Equipment.

It is the Church's policy to maintain Operating Cash Reserves of between three and six months of annual expenditure. For these purposes Operational Cash Reserves includes all bank balances, other than those held separately for restricted funds (such as the Mission and Redevelopment Funds) and balances set aside by the Church Council for other specific purposes. Annual expenditure is based on the annual budget for the Church, as approved by the members of the Church.

At the end of 2022, total cash reserves of £0.11 million (2021: £0.97 million) include:

- Accumulated balances of £16k (2021: £461k) in the Auditorium Project Fund, which represents giving to date (net of expenditure to date) towards the auditorium redevelopment
- A balance of £15k (2021: £46k) from the Robbins legacy, which was received in 2014 and designated to supporting mission work.
- Operating Cash Reserves of £111k (2021: £459k), representing 2 months (2021: 8.8 months) of budgeted operating expenses. The church was temporarily in breach of its reserves policy over year-end, due to a decision to delay the final drawdown on the mortgage facility. The risk of a temporary policy breach was deemed acceptable given that the low general fund cash balance was a consequence of the general fund being used to settle certain costs relating to the renovation project on behalf of the Auditorium Project Fund; and that the loan facility was available to us to draw down at short notice if necessary. We drew £350k on the loan in January 2023, which enabled the Auditorium Fund to repay the General Fund and recover the Operating Cash Reserves position.

The Church manages its finances through a General Fund and, where relevant, through restricted funds, which are established for specific purposes. In recent years members have been encouraged to give to the General Fund so that the Church Council may have flexibility in how Church income is allocated, while always remaining answerable to members and the Lord. (Members remain free to give to a restricted fund if this is their preference).

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Fundraising

Duke Street Church engaged in fundraising in the form of receiving free-will offerings and donations, some of which were gift-aided, from members and regular attenders of the fellowship. We did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. Our practice before government restrictions relating to COVID was to publicly invite an offering at every service. Other than this we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people, and we never have private or coercive discussions with individuals about their giving. Our fundraising practices are ethical and in accordance with Biblical principles. No complaints were received about our fundraising practices.

Risks and Risk Management Plan

From time to time the Trustees consider the risks and uncertainties that might prevent the church from achieving its charitable goals. The risk areas, and our approach for managing the risk area can be summarised as follows:

Financial

Risk: our regular and one-off giving declines; we face a significant increase in the interest charged on our outstanding mortgage; we face an uninsured liability; there is a significant reduction in external hirer income.

Risk Management Approach: we prepare monthly management accounts; we manage an Operational Cash Reserves policy of between three and six months' expenses; we ensure that insurance policies are up-to-date and include Employer's liability of £10 million, Public Liability of £5 million and Property Owner's Liability of £5 million.

Security & Safeguarding

Risk: there is a major Security, Safeguarding, or Health & Safety incident

Risk Management Approach: we conduct a thorough Security & Safeguarding Review; we implement building zoning plans that ensure that children and vulnerable adults can be secured from other more public parts of the building when required; we ensure compliance with our Building Terms of Use for all external hirers; we ensure that insurance policies are up-to-date and cover us for identified risks; we maintain up-to-date Service Incident logs and Risk Logs; we ensure that all major identified risks are reported to the Council and a risk management plan identified (Accept, Mitigate or Avoid). Likewise, when we have hired alternative venues for our services during the building works we have adopted the policies of the venues themselves.

Plans for the Future

The Church will continue to utilise the funds that are provided by members and friends through the generous provision of the Lord to support the vision and objectives that were highlighted in the sections above. In addition to the ongoing and regular activities that this entails, the church has a number of specific plans for the future: :

- The church plans carry out necessary maintenance work on the manse after the Senior Minister has vacated the property following his retirement.
- We recognise the important part that debt has played in enabling us to carry out crucial works to our buildings in support of our ministry; however, the Church would prefer not to be in debt. We will continue to repay our outstanding loans and the Church Council will consider over paying our contractual amounts where it does not impede other ministry objectives.

Structure, governance and management

The church is a registered charity number 1134492 and an incorporated company number 07118491. Its registered name is Duke Street Church (Richmond-upon-Thames) but it operates under the name Duke Street Church.

The charity was incorporated on 7 January 2010 and is governed by its Memorandum and Articles of Association. New trustees are appointed by the church members at the Annual General Meeting. They receive training within trustee meetings.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

John Samuel (Chair)	
John Taylor	
Paul Chambers	
Ivan Baird	
Philip Long	(Appointed 3 March 2022)
Angela Vincent	(Appointed 3 March 2022)
David Shafik	(Resigned 19 May 2022)
Lisa Coleridge	(Resigned 3 March 2022)
Ali Azzopardi	
Gareth Batten	
Tim Totton	
Siobhan Temple	
Chuck Bateman	
Stephen Pryor	

The Church's activities are managed by Elders (who have particular responsibility for the spiritual direction and oversight of the Church) and Core Group Leaders (who are responsible for different aspects of the Church's life). Elders and Core Group Leaders act as trustees, and together they comprise the Church Council. The Church Council is responsible for the overall conduct of the Charity and ensuring compliance with the Memorandum and Articles of Association. All trustees are appointed by the Church members.

The key management personnel of the Church are the trustees, Simon Pethick (Associate Minister) and Matt Bailey (Head of Ministry Support). They are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Apart from the Senior Minister, the trustees give of their time freely and did not receive any remuneration in the year. Details of related party transactions are disclosed in Note 22 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings.

Members of staff received a salary increase in 2022, including a back-dated uplift to compensate for the extraordinary increase in cost of living seen through the year and to ensure that salaries remain in line with other comparable roles. We will continue to benchmark staff benefits against staff performing similar roles in similar charities.

The trustees of the main church building are The Baptist Union Corporation Ltd (BUCL), Nicholas Forrest and Sir Paul Coleridge. BUCL is sole trustee of the manse (53 Old Deer Park Gardens, Richmond).

The church is associated with the Evangelical Alliance, Affinity, the London Gospel Partnership and the Fellowship of Independent Evangelical Churches.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Statement of trustees' responsibilities

The trustees, who are also the directors of Duke Street Church 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 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the church 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 are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the church will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the church 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 church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Jacob Cavenagh & Skeet be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees 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 prepared in accordance with the special provisions relating to small companies and approved by the Board of Trustees.



John Samuel (Chair)

Trustee

Dated: 31 July 2023

DUKE STREET CHURCH (RICHMOND-UPON-THAMES) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUKE STREET CHURCH

Opinion

We have audited the financial statements of Duke Street Church (the 'church') for the year ended 31 December 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 December 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 church 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.

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 church'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 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 are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF DUKE STREET CHURCH**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the church and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the church 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 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 are responsible for assessing the church'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 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

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.

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to company, employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to accurate capitalisation of building projects, estimates of useful economic life, management bias in accounting estimates, valuation of property, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to checking the inclusion and treatment of project costs, discussing realistic useful economic lives with management, challenging significant accounting estimates such as valuation of property, agreeing financial statement disclosures to underlying supporting documentation, identifying and testing journal entries, reviewing trustees meeting minutes and evaluating the charity's internal controls.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF DUKE STREET CHURCH**

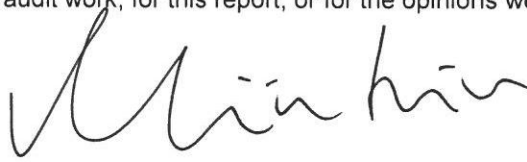
There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet


4 August 2023

**Chartered Accountants
Statutory Auditor**

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income from:</u>							
Donations and legacies	3	481,044	170,844	651,888	515,988	413,300	929,288
Charitable activities	4	67,782	-	67,782	54,910	-	54,910
Investments	5	27,805	70	27,875	30,990	66	31,056
Other income		1,804	-	1,804	172	-	172
Total income		578,435	170,914	749,349	602,060	413,366	1,015,426
<u>Expenditure on:</u>							
<u>Charitable activities</u>							
Ongoing	6	645,293	96,795	742,088	545,097	105,004	650,101
Loss on property refurbishment		-	-	-	451,469	-	451,469
Total charitable expenditure		645,293	96,795	742,088	996,566	105,004	1,101,570
Net gains/(losses) on investments	11	-	-	-	(400,000)	-	(400,000)
Net (expenditure)/income before transfers		(66,858)	74,119	7,261	(794,506)	308,362	(486,144)
Gross transfers between funds	23	370,705	(370,705)	-	566,882	(566,882)	-
Net income/(expenditure) for the year/							
Net movement in funds		303,847	(296,586)	7,261	(227,624)	(258,520)	(486,144)
<u>Reconciliation of funds</u>							
Fund balances at 1 January 2022		6,334,405	298,653	6,633,058	6,562,029	557,173	7,119,202
Fund balances at 31 December 2022		6,638,252	2,067	6,640,319	6,334,405	298,653	6,633,058

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.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
BALANCE SHEET**

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	5,922,397		4,639,227	
Investment properties	14	1,750,000		1,750,000	
		<u>7,672,397</u>		<u>6,389,227</u>	
Current assets					
Debtors	15	59,059		65,799	
Cash at bank and in hand		113,970		966,303	
		<u>173,029</u>		<u>1,032,102</u>	
Creditors: amounts falling due within one year	16	<u>(613,695)</u>		<u>(156,040)</u>	
Net current (liabilities)/assets		<u>(440,666)</u>		<u>876,062</u>	
Total assets less current liabilities		<u>7,231,731</u>		<u>7,265,289</u>	
Creditors: amounts falling due after more than one year	17	<u>(591,412)</u>		<u>(632,231)</u>	
Net assets		<u><u>6,640,319</u></u>		<u><u>6,633,058</u></u>	
Income funds					
Restricted funds	23	2,067		298,653	
Unrestricted funds		6,638,252		6,334,405	
		<u><u>6,640,319</u></u>		<u><u>6,633,058</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 on 31 July 2023



Stephen Pryor
Trustee

Company registration number 07118491

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24		144,676		466,899
Investing activities					
Purchase of tangible fixed assets		(1,301,494)		(532,823)	
Proceeds from disposal of tangible fixed assets		554		2,115	
Investment income received		27,875		31,056	
Net cash used in investing activities			(1,273,065)		(499,652)
Financing activities					
Proceeds from new bank loans		319,472		-	
Repayment of bank loans		(43,416)		(56,684)	
Net cash generated from/(used in) financing activities			276,056		(56,684)
Net decrease in cash and cash equivalents			(852,333)		(89,437)
Cash and cash equivalents at beginning of year			966,303		1,055,740
Cash and cash equivalents at end of year			113,970		966,303

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

Company information

Duke Street Church is a private company limited by guarantee incorporated in England and Wales. The registered office is Duke Street, Richmond, Surrey, TW9 1DH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the church's Memorandum & 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) (effective 1 January 2019)". The church is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared on the historical cost convention modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At period end the Church has a current liability position of £441k, which is driven principally by the development loan facility which is being used to fund our auditorium redevelopment work. The loan facility is open for drawdown until 31 January 2023. The development loan will become fully repayable one year after the first drawdown and the stated intention by both parties is that it will transition to a standard loan arrangement, repayable over 15 years. Because the development loan will mature in 2023, the full amount drawn under the development loan facility at period end has been recorded as a current creditor. The stated intention of the bank in the development loan agreement and the intention of the Trustees is to convert the development loan into a standard loan at the date it matures and therefore the Trustees are satisfied that the net current liability position does not impact the Church's ability to continue as a going concern. At the time of approving the financial statements, the trustees have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties affecting the church's ability to continue its operations. Thus the trustees' 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 in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by a donor or when funds are raised for particular restricted purposes.

1.4 Income

Income is recognised when the church 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.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Legacies are recognised when the amount can be measured and receipt is probable.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is discounted to present value for longer term liabilities. All expenditure is accounted for on an accruals basis.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one or multi year grant.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Freehold land is not depreciated.

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

Freehold land & buildings	2% on cost
Fixtures, fittings & equipment	25-33% on cost

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 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible and intangible 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).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

Financial instruments are recognised when the church becomes party to the contractual provisions of the instrument.

Financial assets 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.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

(Continued)

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 trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Derecognition of financial liabilities

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the trustees 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	481,044	170,844	651,888	929,246
Legacies receivable	-	-	-	42
	<u>481,044</u>	<u>170,844</u>	<u>651,888</u>	<u>929,288</u>

DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022	2021
	£	£
Book & CD income	29	413
Hire of premises	38,536	50,397
Events	29,217	1,700
Rent	-	2,400
	<u>67,782</u>	<u>54,910</u>

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Rental income	27,683	-	27,683	30,977	-	30,977
Interest receivable	122	70	192	13	66	79
	<u>27,805</u>	<u>70</u>	<u>27,875</u>	<u>30,990</u>	<u>66</u>	<u>31,056</u>

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

6 Charitable activities

	Unrestricted £	Missionary support £	Auditorium £	OtherTotal restricted £	2022 Total £	2021 £
Employee costs	266,002	-	-	-	266,002	235,126
Depreciation and impairment	-	-	-	-	-	451,469
Other staff related costs	24,615	-	-	-	24,615	28,534
Direct costs	59,201	-	-	1,544	60,745	23,466
	<u>349,818</u>	<u>-</u>	<u>-</u>	<u>1,544</u>	<u>351,362</u>	<u>738,595</u>
Grant funding of activities (see note 10)	-	57,805	-	18,766	76,571	99,694
Share of support costs (see note 9)	287,507	-	18,680	-	306,187	257,719
Share of governance costs (see note 9)	7,968	-	-	-	7,968	5,562
	<u>645,293</u>	<u>57,805</u>	<u>18,680</u>	<u>20,310</u>	<u>742,088</u>	<u>1,101,570</u>
Analysis by fund						
Unrestricted funds	645,293	-	-	-	645,293	
Restricted funds	-	57,805	18,680	20,310	96,795	
	<u>645,293</u>	<u>57,805</u>	<u>18,680</u>	<u>20,310</u>	<u>742,088</u>	

7 Trustees

Reimbursements of £740 for travel, phone and subsistence expenses were made to 1 trustee during the year (2021: £318 to 1 trustee).

The senior minister, John Samuel, is also a trustee and received remuneration of £49,608 (2021: £46,423) during the year. Pension contributions of £4,961 (2021: £4,528) were made on his behalf. National Insurance Employers contributions of £5,903 (2021: £5,188) were made on his behalf. These payments are permitted under the terms of the Memorandum & Articles of Association.

During the year a total of £170,659 unrestricted donations and restricted donations of individually low value were made by Trustees to the church (2021: £191,824).

8 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>8</u>	<u>8</u>

DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

8 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	225,910	198,867
Social security costs	17,579	16,398
Other pension costs	22,513	19,861
	<u>266,002</u>	<u>235,126</u>

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

9 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Depreciation	154,508	-	154,508	113,331
Admin costs	91,524	-	91,524	89,379
Premises costs	60,155	-	60,155	55,009
Audit fees	-	7,968	7,968	5,562
	<u>306,187</u>	<u>7,968</u>	<u>314,155</u>	<u>263,281</u>
Analysed between Charitable activities	<u>306,187</u>	<u>7,968</u>	<u>314,155</u>	<u>263,281</u>

DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Grants payable

	Unrestricted	Missionary support	OtherTotal restricted	2022Total	2021
	£	£	£	£	£
Grants to institutions:					
Prédica Fiel	-	-	8,120	8,120	9,100
Overseas Missionary Fellowship	-	15,244	-	15,244	18,652
London City Mission	-	-	-	-	6,887
Insight	-	6,000	-	6,000	6,000
UFM	-	8,658	-	8,658	21,272
Pacific Trust	-	-	-	-	9,768
Proclamation Institute Zambia	-	6,240	-	6,240	8,000
Slovakia Bretheren Church	-	8,500	10,646	19,146	8,000
Other	-	-	-	-	5,830
IFES	-	10,163	-	10,163	-
	-	54,805	18,766	73,571	93,509
Grants to individuals	-	3,000	-	3,000	6,185
	-	57,805	18,766	76,571	99,694

11 Net gains/(losses) on investments

	Total	Unrestricted funds
	2022	2021
	£	£
Revaluation of investment properties	-	(400,000)

12 Retirement benefit schemes

Defined contribution schemes

The church operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the church in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £22,513 (2021 - £19,861).

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

13 Tangible fixed assets

	Freehold land & buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2022	5,476,665	129,642	5,606,307
Additions	1,111,914	325,764	1,437,678
Disposals	-	(1,570)	(1,570)
At 31 December 2022	6,588,579	453,836	7,042,415
Depreciation and impairment			
At 1 January 2022	881,989	85,091	967,080
Depreciation charged in the year	119,538	34,970	154,508
Eliminated in respect of disposals	-	(1,570)	(1,570)
At 31 December 2022	1,001,527	118,491	1,120,018
Carrying amount			
At 31 December 2022	5,587,052	335,345	5,922,397
At 31 December 2021	4,594,676	44,551	4,639,227

Land and buildings are included at valuation at date of transfer from the unincorporated charity with subsequent additions included at cost.

Land and buildings with a carrying value of £3,199,573 are pledged as security for bank borrowings.

14 Investment property

	2022 £
Fair value	
At 1 January 2022 and 31 December 2022	1,750,000

Investment property comprises the flats located on the main church site. The trustees have valued the properties at fair value at the balance sheet date. The valuation takes into account the overall level of prices for comparable properties in Richmond.

	2022 £	2021 £
Freehold	1,750,000	1,750,000

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

15 Debtors		2022	2021
		£	£
Amounts falling due within one year:			
Other debtors		42,812	53,620
Prepayments and accrued income		16,247	12,179
		59,059	65,799
16 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Bank loans	18	374,243	57,368
Other taxation and social security		5,480	4,690
Other creditors		171,015	16,490
Accruals and deferred income		62,957	77,492
		613,695	156,040
17 Creditors: amounts falling due after more than one year		2022	2021
	Notes	£	£
Bank loans	18	591,412	632,231
18 Loans and overdrafts		2022	2021
		£	£
Bank loans		965,655	689,599
Payable within one year		374,243	57,368
Payable after one year		591,412	632,231
Amounts included above which fall due after five years:			
Payable by instalments		347,903	391,403

The long-term loan is secured by a first legal charge over the freehold property on Duke Street and Quadrant Road. Repayment is over 20 years and interest is charged at 2.8% above the Bank of England Base Rate.

A new development loan was drawn down during the year to fund the auditorium refurbishment and a further £350,000 was drawn down in January 2023. The stated intention of the bank in the development loan agreement and the intention of the Trustees is to convert the development loan into a standard loan at the date the development loan matures.

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 December are represented by:						
Tangible assets	5,922,397	-	5,922,397	4,639,227	-	4,639,227
Investment properties	1,750,000	-	1,750,000	1,750,000	-	1,750,000
Current assets/(liabilities)	(442,733)	2,067	(440,666)	577,409	298,653	876,062
Long term liabilities	(591,412)	-	(591,412)	(632,231)	-	(632,231)
	<u>6,638,252</u>	<u>2,067</u>	<u>6,640,319</u>	<u>6,334,405</u>	<u>298,653</u>	<u>6,633,058</u>

20 Operating lease commitments

At the reporting end date the church had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	27,526	5,658
Between two and five years	22,727	14,679
	<u>50,253</u>	<u>20,337</u>

21 Capital commitments

There were no capital commitment at 31 December 2022. At 31 December 2021 the auditorium project was continuing and the church were committed to pay the contractors £987,972.

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	<u>131,396</u>	<u>116,416</u>

Transactions with related parties

During the year the church entered into the following transactions with related parties:

Family members of trustees received remuneration (which includes gross salary and employers pension contributions) of £6,107 (2021:£1,086) during the year.

DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2022	Movement in funds			Balance at 31 December 2022
	£	Income	Expenditure	Transfers	£
Missionary support	-	7,238	(57,805)	50,567	-
Fellowship	2,367	-	(300)	-	2,067
Prédica Fiel (formerly known as Equipo Impacto)	3,079	1,563	(8,120)	3,478	-
Auditorium Fund	293,207	151,749	(18,680)	(426,276)	-
Manna House	-	-	(1,244)	1,244	-
Cirkev Bratska	-	10,364	(10,646)	282	-
Other restricted funds	298,653	163,676	(38,990)	(421,272)	2,067
	298,653	170,914	(96,795)	(370,705)	2,067

	Balance at 1 January 2021	Movement in funds			Balance at 31 December 2021
	£	Income	Expenditure	Transfers	£
Missionary support	-	28,548	(96,539)	67,991	-
Fellowship	2,367	-	-	-	2,367
Prédica Fiel (formerly known as Equipo Impacto)	1,034	2,045	-	-	3,079
Auditorium Fund	553,772	382,773	(7,991)	(635,347)	293,207
Manna House	-	-	(424)	424	-
Christmas	-	-	(50)	50	-
Other restricted funds	557,173	384,818	(8,465)	(634,873)	298,653
	557,173	413,366	(105,004)	(566,882)	298,653

**DUKE STREET CHURCH
(RICHMOND-UPON-THAMES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

23 Restricted funds

(Continued)

The Missionary Fund provides financial support for Church members and others sent out as Mission Partners, and to overseas Christian organisations to whom we provide financial support. Funds were received for two specific partners - Predica Fiel and Cirkev Bratska so these are shown in separate funds.

The Fellowship Fund provides for members of the congregation who need support with specific financial needs.

The Auditorium Fund supports the redevelopment of the auditorium. The transfers in both years represent the capital expenditure in the year.

The Manna House Fund supports the Manna House outreach initiative of the Church.

The Cirkev Bratska fund supports the work of the Slovakia Bretheren Church and a particular appeal was held for funds to support refugees during the year.

The Christmas Fund gives church members the opportunity to contribute to the cost of Christmas events at Duke Street Church.

Transfers were made from the general fund to cover the expenditure when it was in excess of the balance in the fund.

24	Cash generated from operations	2022 £	2021 £
	Surplus/(deficit) for the year	7,261	(486,144)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(27,875)	(31,056)
	Gain on disposal of tangible fixed assets	(554)	(1,213)
	Fair value gains and losses on investment properties	-	400,000
	Depreciation and impairment of tangible fixed assets	154,508	566,013
	Movements in working capital:		
	Decrease in debtors	6,740	28,480
	Increase/(decrease) in creditors	4,596	(9,181)
	Cash generated from operations	144,676	466,899
25	Analysis of changes in net debt		
		At 1 January 2022 £	Cash flows At 31 December 2022 £
	Cash at bank and in hand	966,303	(852,333) 113,970
	Loans falling due within one year	(57,368)	(316,875) (374,243)
	Loans falling due after more than one year	(632,231)	40,819 (591,412)
		276,704	(1,128,389) (851,685)