



Registered Charity Number 1169261

Company number CE007883

**KAIROS CONNEXION
REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2021**



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Introduction

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011, and the 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 2015).

The board of trustees are satisfied with the performance of the charity during the year and the position at 31 December 2020 and consider that the charity is in a strong position to continue its activities during the coming year, and the charity's assets are adequate to fulfil its obligations.

Purpose and Activities of the Charity

Our charity's purposes as set out in the object's contained our Constitution dated 29th September 2016 are to:

- To advance the Christian faith in accordance with the Charity's statements of beliefs in such parts of the United Kingdom and the World as the Trustees may from time to time think fit.
- In particular through the provision of support and training to leaders and churches to fulfil such other purposes which are exclusively charitable and are connected with the charitable work of the charity.

Directors report for 2021

2021 Continued to be dominated by Covid and Lockdown. The general level of activity was still lower than pre-Covid

City-wide networks

The Liverpool City Region network of leaders formally adopted Neighbourhood Prayer Network as a partner. This enabled 150+ streets to be adopted. The director continues to promote this as a prayer and evangelism foundation to other cities looking to do similar city reaching endeavours

General networking

The director continued to reach out to new churches and parts of the country with significant size churches requesting help. The director has been involved in providing opportunities for churches to access consulting and training.

Kx Hubs

In 2021 there were 9 active hubs – Harrogate, Sheffield, Deal, Bridlington, Coventry, Cambridge, Tunbridge Wells, Ipswich, Liverpool. Penarth ceased to have Hub aspirations.

Consulting

Consulting continued to be a significant part of the director's work where churches have not yet fully accessed training but are wishing for input to the development of their churches.

Coaching

Coaching groups continued to serve many leaders across the nation. Not only the director but also the hub leaders and others provide this support to senior church leaders reaching an excess of 50+ such pastors, ministers and vicars. The director is personally coaching 38 senior leaders through his huddles

Training

Crewe began the new Kx learning community based at West St Christian Fellowship. The online training continued to be made available – Reimagine Church, Brighter, Inside Out. Launchpad was used in some new situations.

Kx Family Churches

25 churches continued to be actively supported across the network. There was an online community of practice and an in person retreat.

Collaborative networks

A new missional leaders course was developed for the Liverpool Diocese, called Activate. The longstanding involvement with Catalyse Change continued through regular contact with Rich Robinson and annual involvement with their Community of Practice

Writing

Nic Harding published a new booklet called the 6 Marks of a Great Commission Church

Main Achievements in 2021

- Delivering much support, coaching, consultancy and training online during lockdown
- New content creation for huddles and training
- Starting a new Learning Community
- New churches continuing to connect with and join the Kx family – St Mary's Cogges, St John's Kenilworth, Wave House Church Newquay, St Georges Coventry, The Way Sheffield – all in 2021
- The 6 Marks of a Great Commission Church by Nic Harding published

Financial Review

Principal Funding Sources

Kx partner churches (known as family churches) are a primary source of funding for the Charity. These are churches who want to invest in the vision, central functions and expansion of the Charity. These churches give between 1 -2% of their regular income to the charity.

A secondary source of income is training and coaching. The delivery of training in the forms of Workshops, Learning Communities and communities of Practice generate income to carry out these activities and provide some support towards day-to-day operations of the Charity.

The report of the Trustees for the year ended 31 December 2021

Investment & Reserves Policy

The Charity does not currently have an investment or reserve policy as the financial forecast has not been robust enough to need this. When our finances stabilise the Trustee Board will review this and put into place any necessary policies.

Transactions and Financial position

The charity's income in the year was £79,499 (2020: £79,433) after expenditure of £71,394 (2020: £76,218) a surplus of £8,105 (2020: £3,215) is reported. General reserves carried forward amounted to £27,304 (2020: £19,199).

Reference and administrative details

The legal status of the charity is a Charitable Incorporated Organisation (CIO)

Date of registration 19 September 2016

The Registered office is Frontline Centre, PO. Box 38, Wavertree,
Liverpool, L15 0FH

Charity Registration Number 1169621

Trustees serving during the year end were as follows:

Mr J Lovell – Chair	Mrs J Irvine
Dr N Harding – Director	Mrs E Lovell
Mrs J Johnson	Rev M Carey

Senior Management Team

Mr N Harding	Director
Mrs J Taylor	Operations Manager

Structure, Governance and Management

Recruitment and Appointment of Trustees

New Trustees are recruited by the existing charity trustees. In selecting individuals for appointment, the charity trustees must have regard to the skills, knowledge and experience needed to effectively administer the charity. Any new trustees are appointed for a minimum of 3 years.

Trustee Induction and Training

Prior to or at their first appointment, new trustees are given:

- A copy of the latest Annual Report for the charity and statement of accounts
- A copy of the current version of the Charity constitution
- A copy of 'The Essential Trustee: what you need to know, what you need to do'

Legal Statements

The charity trustees have complied with their duty to have due regard to the guidance on public benefit published by the commission in exercising their powers or duties.

Independent Examiner

Malcolm Wright, Elpizo Limited, Chartered Accountants, 13 Village Road, Higher Bebington, Wirral, CH63 8PP

Statement of Trustees' Responsibilities

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and

expenditure, of the charitable group for that period. In preparing the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable

Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report was approved by the board of Trustees on 4 October 2022

Signed:

John Lovell - Trustee

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Independent Examiner's Report to the Trustees of the Charity Report of the Independent Examiners to the Trustees on the account of the Charity for the year ended 31 December 2021

I report on the financial statement of the charitable company on page 8 to 14 for the year ended 31 December 2021.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of the Trustees and Examiner

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

It is my responsibility to:

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

Basis of opinion and scope of work undertaken

My examination was carried out in accordance to general directions given by the charity commission. An examination includes a review of accounting records, kept by the charity and a comparison of accounts presented with those records. It also includes consideration of any unusual items of disclosures in the accounts and seeks explanations from the Trustees concerning any such matters. The procedure undertaken does not provide all the evidence that would be required in an audit. Consequently, no opinion is given to whether the accounts present a true and fair view and report is limited to the matters set out in the statement below.

Independent Examiner's Statement

In connection with examination, no matters have come to my attention:

1. Which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Malcolm Wright - Chartered Accountant

Elpizo Limited, 13 Village Road, Higher Bebington, Wirral CH63 8PP

The date upon which my opinion is expressed is: 4 October 2022

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Statement of Financial Activities
For the year ended 31 December 2021

		Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
	Notes				
Income					
Donations and legacies	2	36,579	-	36,579	37,300
Income from charitable activities	3	42,920	-	42,920	42,131
Interest Income		-	-	-	2
Total Income		<u>79,499</u>	-	<u>79,499</u>	<u>79,433</u>
Expenditure					
On charitable activities	4	70,932	-	70,932	75,756
Governance	5	<u>462</u>	-	<u>462</u>	<u>462</u>
Total expenditure		<u>71,394</u>	-	<u>71,394</u>	<u>76,268</u>
Net income/(expenditure) for the year		8,105	-	8,105	3,215
Gross transfer between funds		-	-	-	-
Net movement in funds		8,105	-	8,105	3,215
Reconciliation of funds:					
Total funds brought forward		<u>19,199</u>	-	<u>19,199</u>	<u>15,984</u>
Total funds carried forward		<u>27,304</u>	-	<u>27,304</u>	<u>19,199</u>

The net movement in funds to above in the net incoming resources as defined in the Statement of Recommendation Practice for Accounting and reporting issued by the Charity Commission for England and Wales and is reconciled to the total funds as shown in the Balance Sheet on page 9 as required by the said statement.

All activities derive from continuing operation
The notes on page 10 to 14 form an integral part of these accounts

Balance Sheet

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As at 31 December 2021

		2021		2020	
	Notes	£	£	£	£
Current Assets					
Debtors	8	394		1,390	
Cash at the bank and in hand		<u>27,753</u>		<u>18,270</u>	
Total current assets		28,147		19,660	
Creditors: -					
Amount due within one year	8	<u>(843)</u>		<u>(462)</u>	
Net current assets			<u>27,304</u>		<u>19,198</u>
Net assets			<u>27,304</u>		<u>19,198</u>
The funds of the charity					
Unrestricted income funds					
Unrestricted revenue accumulated funds			<u>27,304</u>		<u>19,198</u>
Total charity funds			<u>27,304</u>		<u>19,198</u>

Approved by the board of Trustees on
and signed on their behalf by:

John Lovell – Trustee

The notes on page 10 to 14 form an integral part of these accounts

Notes to the Accounts for the year ended 31 December 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

b) Preparation of the accounts on a going concern basis

The financial statements are prepared on a going concern. The Charity is entirely dependent on continuing grant and donation support and as a consequence the going concern basis is also dependent on that continuing financial support.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of specified services is deferred until the criteria for income recognition are met.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the Accounts for the year ended 31 December 2021

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal 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 classified under the following activity headings:

- Costs of raising funds comprise the consists of commercial trading.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the charitable activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note1.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting 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 estimating reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value.

2 Income from donations and legacies

	2021	2020
Donations	£	£
Gifts and donations	<u>36,579</u>	<u>37,300</u>
	<u>36,579</u>	<u>37,300</u>

The Trust benefits from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

3 Income from charitable activities

	2021	2020
	£	£
Income		
Courses, coaching and other activities	19,875	39,192
JRS Grant	-	2,939
Other resources	<u>23,045</u>	<u>-</u>
Total income from charitable activities	<u>42,920</u>	<u>42,131</u>

4 Analysis of expenditure on charitable activities

	2021	2020
	£	£
Gifts, grants and honorariums	661	2,168
Accommodation and venue	0	161
Catering and subsistence	838	2,937
Travel	623	1,502
Subscriptions	2,548	1,953
Professional fees	240	1,207
Courses	0	320
Resources	4,928	1,533
Other IT, office and admin expenses	5,172	780
Other staff costs	0	3,866
Wages & salaries	<u>55,921</u>	<u>59,328</u>
Total expenditure on charitable activities	<u>70,932</u>	<u>75,756</u>

Notes to the Accounts for the year ended 31 December 2021

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5 Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance cost, the remaining support costs together with the governance costs are allocated to the charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs

Analysis of support and governance costs

	General support	Governance Function	Total	Basis of apportionment
	£	£	£	
Independent Examiner	-	462	462	Governance
Total	-	462	462	

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel.

	2021 £	2020 £
Salaries and wages	<u>55,921</u>	<u>59,328</u>

No employees had employee benefits in excess of £60,000.

Dr Nic Harding is executive director of the charity and received a salary in the year of £26,231 (2020: £26,231). Dr Harding is also a trustee. The charity trustees were not paid or received any other benefits from employment with charity as trustees in the year; neither were they reimbursed expenses during the year. Except as disclosed above, no charity trustees received payment for professional or other services supplied to the charity.

Staff Numbers

The average monthly head count was 3 staff and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2021 Number	2020 Number
Charitable activities	<u>2</u>	<u>2</u>

7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Notes to the Accounts for the year ended 31 December 2021

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8 Debtors: amounts falling due within one year

	2021 £	2020 £
Other debtors	<u>394</u>	<u>1,390</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Creditors and accruals	<u>843</u>	<u>462</u>

10 Contingent assets – legacy income

As at 31 December 2021 the charity had not been notified of any legacy income or prospective legacy income.

11 Analysis of charitable funds

Analysis of movements in unrestricted funds

The charity has only one unrestricted general fund. The movements in that fund are shown in the Statement of Financial Activities.

All of the net assets apply to the one unrestricted general fund.