

# **Trustees' Report and Accounts for the year to 31<sup>st</sup> March 2023**

## **King's Road Church Charitable Incorporated Organisation**

*Charity registration number: 1186968*

## **Trustees' Report for the year to 31<sup>st</sup> March 2023**

King's Road Church is a Charitable Incorporated Organisation registered with the Charity Commission, registered charity number 1186968.

### **Trustees**

All the trustees were appointed when the charity was registered on 16 December 2019 and all were still trustees as at the date that this Report was approved.

Mr Stephen Ronald White (Chair)

Dr Hilary Willard

Dr Richard Walker

Mrs Fiona Nicolle (Treasurer)

### **Principal address**

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Berkhamsted  
Herts  
HP4 3BD

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[admin@krc.org.uk](mailto:admin@krc.org.uk)

### **Bankers**

CAF Bank Ltd  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

### **Independent Examiner**

David Green MA (Cantab) ACA  
Azets  
Suites B & D Burnham Yard  
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## **Structure, Governance and Management**

### **Incorporation of King's Road Church**

King's Road Church (the charity) was registered with the Charity Commission on 16 December 2019 as a Charitable Incorporated Organisation (CIO). The charity's activities began on 1 September 2020 when it took over the activities of the unincorporated charity, King's Road Evangelical Trust (registered charity number 1039585). The membership and activities of the church have remained the same and the purposes and beneficiaries of the two charities are materially the same.

The purpose of the change of legal form from unincorporated charity to CIO was to establish the charity as a legal entity in its own right and to reduce the personal liability of the trustees.

### **Trustee selection details**

Trustees must be members of the church. Trustees are appointed on agreement of a majority of existing trustees in accordance with the procedures in the constitution. Proposed new trustees are presented to the church and a period of one month is given for church members to feed back on the proposed appointment.

### **Related parties**

There were no transactions with related parties in the year, except donations and offerings from trustees and their relatives in their capacity as church members.

## Objectives and Activities

### Summary of the purposes of the charity

The purposes of the charity as set out in its constitution are:

To advance the Christian religion in accordance with the Statement of beliefs in schedule 1 of the constitution, for the benefit of the public, mainly but not exclusively by:

- encouraging and facilitating religious practice by existing followers;
- seeking new followers or adherents;
- providing pastoral support;
- supporting Christian mission and outreach work in the UK and overseas; and
- the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

The trustees confirm that they have had regard to the Charity Commission guidance on public benefit.

### Summary of activities during the period

During 2022-23 the church has continued to meet on Sundays at Bridgewater School. There continues to be opportunity for members to join the meeting online, and one of our missionary partners regularly joins us from Cambodia. We have also had contributions from the East Coast of the USA (despite the 5.30am start) as well as church members on holiday in the UK, and those still cautious concerning Covid 19. This facility also allows the volunteers in the creche room to see and hear the service.

The number of people regularly attending the **Sunday service** has continued to grow.

The Tuesday night “**Upper Zoom**” **prayer meeting** continues with up to 10 people logging on.

In June 2022 the **Women’s Weekend Away** had 21 participants at West Watch near Haywards Heath. It was considered a great success but a bigger venue was needed for 2023.

‘The **Big Red Bus**’ **Barbecues** in the summer have provided a good stepping stone event to introduce new people into the church family.

The **Emotionally Healthy Spirituality Course** during the autumn term attracted a core group of 30-40 participants and was greatly appreciated.

**Home Groups** each week continue to be very important to the life of the church.

There is now a monthly **Convergence** meeting for everyone at the Kings Road Building to focus on prophecy, prayer and worship. This has been the source of much encouragement for many church members.

A **Promise Auction** was held at KRC in October, and gathered some 50 people to give and purchase the various auction items. The purpose of this was to bring people together, enjoy one another’s company, and share resources. The funds raised have been put into the building fund.

The **Christmas Fair** in November was a great success bringing together a wide number of people in the town community. The funds raised were given to the missionaries that the church supports.

**KRC Creative** had an exhibition in February followed by a meal and performances, helping members to value and affirm the creative talent within the church.

Sunday morning musical worship is flourishing and strengthening

Twice during the year **24-hour prayer events** were held in the KRC building and were times of creativity, inspiration and reflection.

The **ministry with children and young people** took several forms. On most Sundays there was a children's talk before they left for their classes. Meeting at Bridgewater has provided much more space to run activities for children and young people and we have been able to make use of the outdoor space. The 'Rise' group for older ones met at various homes on Sunday afternoons, and further (often outdoor) activities were held on some Saturdays. Much creativity was evident in these activities. Several of the church's children attended excellent residential camps in the summer.

**The toddlers' group**, is held regularly on Tuesday mornings with a strengthened team, and attracted good numbers of adults and children. This has provided many opportunities for pastoral contact. The reputation of the toddler group is high within the town.

The **Foodbank** ministry continues to make a significant difference to people in need locally. It provided regular support to over 20 individuals, couples or families, who received a package of food each week that they needed it. There were a total of 317 visits (2021-22: 187 visits) to collect food or deliveries of food during the period, an average of 26 visits (2021-22: 11 visits) per month. The number of visits was highest in December 2022 and March 2023. Of the £11,875 food distributed, over £9,000 was in the form of donated food from church members and members of the public including almost £3,500 from collections from harvest festivals at local schools. The remainder was funded by financial donations from church members and members of the public.

**DivorceCare** continues to be a much-needed and valuable support group for many struggling with the consequences of marital breakdown. Being online the course attracts participants both local and international, and continues to grow to meet the increasing need, particularly via word of mouth.

The church continued in its support of several ministries around the world, with connection and support being primarily via the **Kings Road Church International** team. Via Zoom it was possible to have overseas missionaries taking part in church services; a wonderful blessing to many and a great step forward in recognising and appreciating the valuable work being done so far away. The annual Christmas Fair was held as usual in November and raised significant funds to help support these ministries.

Following the outbreak of war in **Ukraine** in February 2022 there was a great desire to help families at risk in the conflict. A team was set up and so far three families have come to the area and become part of the fellowship, hosted and supported by members of the church. They have contributed to musical worship, women's ministry and children's and youth work, and engaged in the men's groups. Each family now has members in work in Berkhamsted and the surrounding area.

The project to demolish and **rebuild the church** building in Kings Road progressed during the year. An architect was appointed and has designed a building with much greater

capacity which would accommodate much larger church services as well as space for children's work, community outreach and offices. Surveys and other pre-planning consultation and work has taken place.

The charity does not make grants nor did it undertake any social investment during the period.

### **Contribution made by volunteers**

The church had three employees throughout the year: a full time Pastor, a part time Pastor and an administrator. Volunteers continued to be integral to every ministry and initiative, and indicative of the health and vigour of the church.

All church activities were run with extensive volunteer support, mainly from members of the church. Activities undertaken by volunteers included:

- Supporting the Sunday services, through speaking at or leading the service, setting up equipment and managing the broadcast, being part of the worship band, teaching the children, and leading prayer and communion;
- Contributing to the spiritual programme;
- Running the foodbank;
- Running DivorceCare and the parents' support group;
- Leading prayer groups and weekly small groups;
- Participating in outreach activities;
- Organising activities for the children and youth; and
- Keeping in touch with missionaries, supporting them through prayer, and monitoring their activities and use of donations.

## Achievements and Performance

### Summary of the main achievements of the charity

The church has helped new and existing members to practice and develop their faith. Through its various outreach activities, it has helped those without a firm faith to explore and understand Christianity. There were many new faces in church over the year, and numbers steadily grew, enriching and extending the spiritual life of the body. Opportunities for service increased and much effective discipleship took place, particularly in the smaller ministry contexts.

The church continued to be outward looking, and the decision to appoint Sue Gorst as Community Pastor from 1 April 2022 reflected this desire to reach out to the community.

The foodbank and support for missionaries overseas have helped to provide food, advice, improved housing, medical support and education for those in need.

The DivorceCare group has provided emotional support and fellowship for those experiencing marital breakdown, and was open to all, whether they had a Christian faith or not.

### Achievements against objectives set

The main objectives for the period and the achievements against them were:

- *advance the Christian religion in accordance with the church's Statement of Beliefs* - significant progress was made in many areas of church life, with both growth in the number of members and the depth with which people were living out and exploring their own faith and supporting others to develop theirs.
- *support and encourage spiritual growth* – this was achieved through Sunday services, the home groups that ran through the period and 24 hour prayer events. There were increased possibilities for members to serve, and a large number of people were able to participate in leading Sunday morning services. New members were supported and encouraged in their faith through membership of home groups and informal discipleship and mentoring.
- *expand provision for children* – moving the Sunday services to Bridgewater allowed us to run separate fun and educational activities for children during the services and a creche for younger children. The children's talk during the services continued to be a good way of involving children in the service as well as being informative and fun for both the children and adults. For the older children, the Rise youth group took place most Sundays evenings during term time and regular outdoor and indoor activity sessions were held regularly on Saturday afternoons, such as campfire cooking, treasure hunts and pancake making.
- *support missionaries* - £11,501 of financial support was paid to missionaries, funded out of church giving and the Christmas fair. Prayer and encouragement was provided through personal contact led by Kings Road Church International, the church's missionary ministry. Missionaries contributed to the spiritual growth of church members by sharing their faith and work during Sunday church services, mainly via Zoom from various places in the world.

## **Performance of fundraising activities against objectives set**

The principal fund-raising objective was to maintain sufficient revenue to cover the costs of running the church, including staff salaries, and to continue supporting the overseas missionaries. There was also a fundraising drive for the new building in autumn 2022 which resulted in pledges for ongoing and one-off donations, of which over £108,000 (including gift aid) were paid in 2022-23.

The majority of the church's income is from voluntary donations from church members and most funds raised were from church members. The only exceptions were the Christmas fair, which was open to members of the public and donations to the foodbank.

Most fundraising events have the dual purpose of bringing church members, guests and the wider community together as well raising money. The main events in 2022-23 were:

- Christmas fair – raised money for overseas missionaries
- Promise auction – raised money for building project
- Movie night, breakfast and tabletop sale – raised money towards women's weekend away.

## **Investment performance against objectives**

As planned, cash not immediately required was invested in deposit accounts with banks and building societies in accounts with up to two years notice to maximise interest obtained. The funds were split between different accounts to ensure that all were covered by the FSCS guarantee.

The interest obtained from these investments was in line with expectations.

## **Financial Review**

### **Financial position at the end of the period**

The charity made a surplus of £91,009 for the year to 31 March 2023 (2021-22: £22,365). Of this, £2,576 related to unrestricted funds and £88,433 to restricted funds.

The main source of income is donations and gifts, with a total including gift aid of £228,124 (2021-22: £113,631). The majority of the increase was donations to the building fund to rebuild the church of £108,056 (2021-22: nil). In addition, the church held some fundraising events, primarily attended by church members. These raised a total of £10,234 for the building fund, missionaries and the women's weekend away.

The main areas of expenditure were:

- staff costs at £68,975 (2021-22: £43,149). The increase is mainly due to the employment of an additional part time Pastor;
- KRC rebuilding costs at £23,256 (2021-22: nil) which is architect's fees and other surveys, fees and advice relating to the planned rebuilding of the King's Road Church building;
- foodbank at £11,875 (2021-22: £6,117);
- support to overseas missionaries at £11,501 (2021-22: £17,035);



- depreciation at £10,164 (2021-22: £10,126); and
- utilities, insurance and cleaning at £8,766 (2021-22: £7,204).

Fixed assets consist of the church and Manse land and buildings which includes capital improvements to the Manse building, and fixtures and fittings which represents the refurbishment of the Manse. There were no additions or disposals during the year and the only change in value was depreciation. The net book value at 31 March 2023 was £502,679 (£512,843 at 31 March 2022).

Cash, cash deposits and cash equivalents totalled £608,103 compared to £504,376 at 31 March 2022. This is split between cash at bank and in hand and current asset investments. The cash was held in a current account and deposit accounts and is classified according to the maturity date of the account.

The main items of other current assets are accrued gift aid on donations of £6,285 (£2,549 at 31 March 2022), accrued bank interest of £2,676 (£1,044 at 31 March 2022) and foodbank stock of £1,850 (£1,133 at 31 March 2022).

Accruals and deferred income of £2,403 (£1,521 at 31 March 2022) consists mainly of deposits for the planned women's weekend in June 2023 and expenses incurred before the year end but submitted after the year end. Creditors of £9,822 (£1,920 at 31 March 2022) is mainly an invoice for architect's fees for initial work on the church rebuilding project.

### **Reserves policy and reserves held at period end**

The charity had total reserves of £1,109,724 (£1,018,715 at 31 March 2022). Of this:

#### *Restricted funds*

- £195,480 represents the net book value of the church land and building;
- £91,925 is funds donated for the rebuilding of the church;
- £801 is stock and unspent donations for the foodbank; and
- £1 is the as-yet undistributed proceeds of the Christmas fair, restricted for support of overseas missionaries.

#### *Unrestricted designated funds*

- £160,737 represents the net book value of the manse land and buildings and £146,460 is the net book value of the capitalised extension and refurbishments to the manse bringing the total for the manse to £307,197; and
- £399,076 is the proceeds of the sale of the chapel less the cost of the manse developments. The trustees designated this for use in developing the other two properties, primarily the proposed rebuilding of the church building, the cost of which is expected to exceed the balance held.

#### *Other unrestricted funds*

- £115,244 is the balance in the general (unrestricted) fund.

The trustees' policy is to hold an unrestricted reserve of a minimum of three months' non-discretionary expenditure to cover committed monthly outgoings, the main one being salaries. The figure is based on the approved budget for the year and for 2023-24 is £27,000.

The main source of income for the church is tithes and offerings. These are voluntary donations which fluctuate according to the number of people attending church and their individual circumstances. The trustees monitor the donations received monthly and these do vary, although in practice never drop below a certain threshold. The reason for holding the reserves is to cushion against a drop in income and allow time to raise further funds and/or reduce expenditure, including meeting any one-off costs to reduce ongoing expenditure.

The current level of reserves exceeds the target level. The trustees plan to spend these funds on charitable activity, including the planned redevelopment of the church building.

### **Going concern**

The trustees consider that the charity is a going concern. The budget for 2023-24 forecasts a break even position on unrestricted income and expenditure. In addition, there are substantial free reserves which would comfortably cushion even a significant deterioration in this position. The charity is fortunate that it is not heavily dependent on fundraising activities. The trustees anticipate that the church's recent growth will continue but are mindful of the potential impact of inflation on church members' ability to give and on rising costs and will monitor the position closely.

### **Investment policy and objectives**

In setting their investment policy and strategy, the trustees operate within statutory provisions and the requirements of the constitution.

The funds available for investment are the proceeds of the sale of assets and any balance on the restricted and unrestricted general funds.

The main investment objectives are to preserve the capital value of funds and ensure they are available for use when needed.

The charity does not currently have significant funds to be held for the long term for the purpose of providing income or funding future activity. Therefore the charity will not invest in any investment that has risk of significant capital fluctuations, such as stocks and shares, or corporate bonds.

The balance on the unrestricted general fund is held to meet any shortfalls of income over expenditure and any balance up to £30,000 should be held in an instant-access account because it may be needed at short notice.

Funds above this level will be held in the deposit accounts or bonds with banks and/or building societies, or National Savings and Investments to the extent that they accept deposits from charities. Only investment institutions where the funds will be protected by the Financial Services Compensation Scheme (FSCS) or other guarantees may be used. Deposit accounts with a notice period may be used, so long as the funds will be available within the time they are anticipated to be required. The trustees will aim to maximise the interest rates working within these parameters.

The amount invested with each banking institution must not exceed the amount protected by the FSCS.

## Principal risks

The main risks facing the charity are:

- the church building not keeping up to date with health and safety standards and an incident occurring that causes harm to a user of the building;
- a safeguarding incident;
- having insufficient income to fund non-discretionary running costs;
- uncertainty around the nature and timing of the redevelopment for the Kings Road Church building resulting in inefficient spending;
- the church building having insufficient space and inadequate facilities to accommodate all who want to attend in person and remotely, and to run children's work during services;
- inadvertent breach of copyright or data protection legislation; and
- erosion of its capital funds through inflation, or loss of those funds due to the collapse of a financial institution.

The trustees are satisfied that adequate measures are in place to reduce these risks to an acceptable level within their risk appetite.

## Statement of Trustees' Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year, which show a true and fair view of the state of affairs of the charity, and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operational existence.

## Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees by Stephen Ronald White, Chair of Trustees



12 July 2023

ACCOUNTS FOR KING'S ROAD CHURCH CIO FOR THE YEAR TO 31  
MARCH 2023

## STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	12 months to 31 March 2023	12 months to 31 March 2022
	Note	£	£	£	£
<b>INCOMING RESOURCES</b>					
Donations	3a	108,004	120,120	<b>228,124</b>	<b>113,631</b>
Other trading	3b	4,796	9,008	<b>13,804</b>	<b>3,870</b>
Investment income	3c	7,013	701	<b>7,714</b>	<b>4,496</b>
<b>Total Income</b>		<b>119,813</b>	<b>129,829</b>	<b>249,642</b>	<b>121,997</b>
<b>RESOURCES EXPENDED</b>					
Charitable Activities	4, 5	117,237	41,396	<b>158,633</b>	<b>99,632</b>
<b>Total Expenditure</b>		<b>117,237</b>	<b>41,396</b>	<b>158,633</b>	<b>99,632</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>2,576</b>	<b>88,433</b>	<b>91,009</b>	<b>22,365</b>
Transfers between funds	10	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>2,576</b>	<b>88,433</b>	<b>91,009</b>	<b>22,365</b>
<b>RECONCILIATION IN FUNDS:</b>					
Funds brought forward	10	818,941	199,774	1,018,715	996,350
<b>FUNDS CARRIED FORWARD</b>	10	<b>821,517</b>	<b>288,207</b>	<b>1,109,724</b>	<b>1,018,715</b>

## BALANCE SHEET

As at 31 March 2023					As at 31 March 2022
		Unrestricted	Restricted	Total	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	6	307,198	195,481	502,679	512,843
Investments	7	-	-	-	80,000
Total fixed assets		307,198	195,481	502,679	592,843
CURRENT ASSETS					
Stock		1,050	800	1,850	1,133
Debtors	8	8,413	835	9,248	3,804
Investments		385,120	100,690	485,810	321,320
Cash in bank and in hand		122,363	-	122,363	103,056
Total current assets		516,944	102,326	619,270	429,313
Creditors: amounts falling due within one year	9	2,625	9,600	12,225	3,441
Net current assets		514,319	92,726	607,045	425,872
Total net assets		821,517	288,207	1,109,724	1,018,715
FUNDS OF THE CHARITY					
Restricted Income Funds	10, 11	-	288,207	288,207	199,774
Unrestricted Income Funds	10, 11	821,517	-	821,517	818,941
TOTAL CHARITY FUNDS		821,517	288,207	1,109,724	1,018,715

The notes at pages 15 to 23 form part of these accounts.

Approved by the Trustees on 12 July 2023 and signed on their behalf by:



.....  
Stephen White, Trustee

## NOTES TO THE ACCOUNTS

### 1 Accounting Policies

#### (a) Basis of preparation and assessment of going concern

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 in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity has taken advantage of the provision in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

The 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 financial statements.

#### *Comparatives*

The charity was established as a CIO on 16 December 2019 as a successor charity to the unincorporated King's Road Evangelical Trust (registered charity number 1039585). The accounts for the period to 31 March 2023 cover the 12 months from 1 April 2022.

#### *Assessment of going concern*

The financial statements are prepared on a going concern basis. The trustees do not consider that there are any material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern.

#### (b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted funds can be spent or applied at the discretion of the trustees to further any of the charity's purposes. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 10.

#### (c) Income recognition

Income is recognised in the accounts when:

- control over the rights or other access to the economic benefit has passed to the charity;
- it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity; and
- the monetary value or amount of the income can be measured reliably.

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Interest income is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

#### **(d) Donated goods and gifts in kind**

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Gifts in kind for use by the charity are included as income from donations when receivable.

#### **(e) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

#### **(f) Support and governance costs**

Support and governance costs for the charity include all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to fees payable for the independent examination of the accounts together with other administrative expenses.

All these costs are met out of unrestricted funds.

Further details of these costs can be seen in note 4.

#### **(g) Pension costs**

The charity contributes to defined contribution pension schemes for its employees. Contributions are expensed in the period in which they are earned. Any contributions unpaid at the period end are recognised as a liability.

Pension expenses are allocated to unrestricted and restricted funds on the same basis as other employee related costs. These are all allocated to unrestricted reserves.

#### **(h) Volunteer help**

The value of any voluntary help received is not included in the accounts but the contribution of volunteers is described in the trustees' annual report.

#### **(i) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

#### **(j) Fixed Assets**

Fixed Assets are capitalised if they can be used for more than one year and cost at least £3,000. Fixed assets are measured at cost less accumulated depreciation.

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:

Buildings, including extensions	50 years straight line
Fixtures and fittings	10 years straight line

Land is considered to have an indefinite useful life.



**(k) Cash and investments**

Cash at bank and in hand is held to meet short-term cash requirements as they fall due. It includes cash on deposit with a maturity date of less than three months.

Cash on deposit and cash equivalents with a maturity date of less than one year from the balance sheet date are classified as current asset investments.

Cash on deposit and cash equivalents with a maturity date of more than one year from the balance sheet date are classified as fixed asset investments.

**(l) Stock**

Stock consists of purchased or donated food held for distribution at the balance sheet date. It is valued at the lower of net realisable value adjusted for any impairment and replacement cost.

**(m) Financial instruments**

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.

**(n) Debtors**

Debtors are recognised at the settlement amount less any trade discounts due.

**(o) Creditors**

Creditors are recognised at their settlement amount less any discounts due.

**(p) Provisions and contingent liabilities**

Provisions for liabilities are recognised when the charity has a legal or constructive obligation and either the timing or the amount of the future expenditure required to settle the obligation is uncertain. The amount recognised as a provision is the best estimate of the expenditure required to settle or to transfer it to a third party at the reporting date.

Contingent liabilities are recognised when there is a possible but uncertain obligation or a present obligation that is not recognised because:

- a transfer of economic benefit to settle the possible obligation is not probable; or
- the amount of the obligation cannot be estimated reliably.

## Note 2 Prior year SOFA 12 months to 31 March 2022

	Note	£	£	£
<b>INCOMING RESOURCES</b>				
Donations	3a	103,505	10,126	<b>113,631</b>
Other trading	3b	3,870	-	<b>3,870</b>
Investment income	3c	4,496	-	<b>4,496</b>
<b>Total Income</b>		<b>111,871</b>	<b>10,126</b>	<b>121,997</b>
<b>RESOURCES EXPENDED</b>				
Charitable Activities	4, 5	82,742	16,890	99,632
<b>Total Expenditure</b>		<b>82,742</b>	<b>16,890</b>	<b>99,632</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>29,129</b>	<b>(6,764)</b>	<b>22,365</b>
Transfers between funds	10	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>29,129</b>	<b>(6,764)</b>	<b>22,365</b>
<b>RECONCILIATION IN FUNDS:</b>				
Funds brought forward/ transferred from unincorporated charity on 1 September 2020	10	789,812	206,538	996,350
<b>FUNDS CARRIED FORWARD</b>	10	<b>818,941</b>	<b>199,774</b>	<b>1,018,715</b>

### Note 3 Analysis of income

				12 months to 31 March 2023	12 months to 31 March 2022
	Unrestricted Funds	Designated Funds	Restricted Funds	Total	
	£	£	£	£	£
<b>3a DONATIONS</b>					
Donations and gifts	88,728		89,847	178,574	93,168
Gift aid	19,276		21,142	40,418	14,750
Donated goods, facilities and services			9,132	9,132	5,713
<b>Total</b>	<b>108,004</b>		<b>120,120</b>	<b>228,124</b>	<b>113,631</b>
<b>3b OTHER TRADING ACTIVITIES</b>					
Hire out property	1,845	-	-	1,845	2,875
Toddlers subscriptions	875	-	-	875	995
Fundraising	1,226		9,008	10,234	-
Payments for events & awaydays	850	-	-	850	-
<b>3c INCOME FROM INVESTMENTS</b>					
Interest income	1,403	5,610	701	7,714	4,496
<b>TOTAL INCOME</b>	<b>114,203</b>	<b>5,610</b>	<b>129,829</b>	<b>249,642</b>	<b>121,997</b>

### Note 4 Analysis of expenditure

	Unrestricted Funds	Designated Funds	Restricted Funds	12 months to 31 March 2023	12 months to 31 March 2022
	£	£	£	£	£
Staff costs	68,975	-	-	68,975	43,149
Utilities, insurance and cleaning	8,766	-	-	8,766	7,204
Repairs and maintenance	989	-	-	989	902
Support to missionaries	8,868	-	2,633	11,501	17,035
IT costs	1,828	-	-	1,828	2,529
Other admin costs	3,973	-	-	3,973	1,016
Foodbank		-	11,875	11,875	6,117
Church services, events and outreach	4,033	-	-	4,033	1,969
Professional fees	888	-	-	888	5,040
Telephone and intranet	1,184	-	-	1,184	1,419
Pastoral support	175	-	1,625	1,800	750
Pastor expenses	1,447	-	-	1,447	501
Hire of property	7,665	-	-	7,665	1,715
Toddlers	289	-	-	289	123
KRC rebuilding project	-	-	23,256	23,256	-
Depreciation	-	8,157	2,007	10,164	10,164
<b>TOTAL EXPENDITURE</b>	<b>109,079</b>	<b>8,157</b>	<b>41,396</b>	<b>158,632</b>	<b>99,632</b>

Included in professional fees is £858 for independent examiner's fees (£780 for the period to 31 March 2022).

## Note 5 Staff costs

	Unrestricted Funds	Designated Funds	Restricted Funds	12 months to 31 March 2023	12 months to 31 March 2022
	£	£	£	£	£
Salaries and wages	62,289	-	-	62,289	40,920
Social security costs	91	-	-	91	-
Pension costs	6,595	-	-	6,595	2,229
Other employee benefits	-	-	-	-	-
<b>Total</b>	<b>68,975</b>	<b>-</b>	<b>-</b>	<b>68,975</b>	<b>43,149</b>

The charity claims employment allowance which covered all but £91 of Employers' National Insurance Contributions (employment allowance covered all Employers' National Insurance Contributions in 2021-22).

## Note 6 Fixed assets

	Note	Freehold land and buildings £	Fixtures and fittings £	As at 31 March 2023 £	As at 31 March 2022 £
<b>Cost</b>					
As at 1 April 2022		485,699	41,067	526,766	526,766
Additions		-	-	-	-
Disposals		-	-	-	-
Transfers		-	-	-	-
<b>As at 31 March 2023</b>		<b>485,699</b>	<b>41,067</b>	<b>526,766</b>	<b>526,766</b>
<b>Depreciation</b>					
As at 1 April 2022		8,790	5,134	13,924	3,760
Charge for the period		6,057	4,107	10,164	10,163
Disposals		-	-	-	-
<b>As at 31 March 2023</b>		<b>14,848</b>	<b>9,240</b>	<b>24,088</b>	<b>13,923</b>
<b>Net book value</b>					
As at 1 April 2022		476,909	35,933	512,842	523,006
<b>As at 31 March 2023</b>		<b>470,851</b>	<b>31,827</b>	<b>502,678</b>	<b>512,843</b>

## Note 7 Investments

The fixed asset investment of £80,000 at 31 March 2022 consisted of cash and cash equivalents. It was a deposit account with a maturity date of more than twelve months after the balance sheet date. The maturity date is now less than twelve months from the balance sheet date so it has been reclassified as a current asset investment.

## Note 8 Debtors

	As at 31 March 2023 £	As at 31 March 2022 £
Prepayments and accrued income	9,225	3,782
Other debtors	22	22
<b>Total</b>	<b>9,247</b>	<b>3,804</b>

All debtors were receivable within one year.

## Note 9 Creditors

	As at 31 March 2023	As at 31 March 2022
	£	£
Accruals and deferred income	2,403	1,521
Other creditors	9,822	1,920
<b>Total</b>	<b>12,225</b>	<b>3,441</b>

All creditors were due within one year.

## Note 10 Charity Funds

	Note	As at 1 April 2022	Income/ additions	Expenditure	As at 31 March 2023
		£	£	£	£
<b>RESTRICTED FUNDS</b>					
Kings Road Church	a	197,487	-	2007	195,480
Building Fund	b	-	115,181	23,256	91,925
Foodbank		1,286	11,390	11,875	801
Christmas fair		1	2,633	2,633	1
Hardship fund		1,000	625	1,625	-
<b>Total restricted funds</b>		<b>199,774</b>	<b>129,829</b>	<b>41,396</b>	<b>288,207</b>
<b>UNRESTRICTED FUNDS</b>					
<b>Designated funds</b>					
Manse	c	162,387	-	1,650	160,737
Manse improvements	d	152,968	-	6,507	146,460
Building fund	e	393,466	5,610	-	399,076
<b>Non-designated funds</b>					
General fund	f	110,120	114,203	109,079	115,244
<b>Total unrestricted funds</b>		<b>818,941</b>	<b>119,813</b>	<b>117,237</b>	<b>821,517</b>
<b>TOTAL FUNDS</b>		<b>1,018,715</b>	<b>249,642</b>	<b>158,633</b>	<b>1,109,724</b>

- The Kings Road Church fund holds the net book value of the Kings Road church land and building. The expenditure is depreciation for the period, which is added back to the general fund.
- The restricted Building fund is donations specifically for the rebuilding of the Kings Road Church building. The income is donations to this fund and interest earned on these funds.
- The Manse fund holds the net book value of the Manse land and buildings. The expenditure is depreciation for the period, which is added back to the general fund.
- The Manse improvements fund holds the net book value of the Manse extension, fixtures and fittings. The expenditure is depreciation for the period, which is added back to the general fund.
- The unrestricted Building fund is the proceeds of the sale from the Beulah chapel. It is designated for the purpose of capital development of buildings, primarily the Kings Road Church building. The income is the interest earned on these funds.
- The General fund holds unrestricted funds that can be applied to any of the charity's purposes.

## Note 11 Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	As at 31 March 2023	As at 31 March 2022
	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:					
Fixed assets	-	307,197	195,481	502,679	592,843
Current assets	117,869	399,076	102,325	619,270	429,313
Liabilities	2,625	-	9,600	12,225	(3,441)
<b>Total</b>	<b>115,244</b>	<b>706,273</b>	<b>288,207</b>	<b>1,109,724</b>	<b>1,018,715</b>

	Unrestricted Funds	Designated Funds	Restricted Funds	Total
Note	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Fixed assets	-	395,355	197,488	592,843
Current assets	113,561	313,466	2,286	429,313
Liabilities	(3,441)	-	-	(3,441)
<b>Total</b>	<b>110,120</b>	<b>708,821</b>	<b>199,774</b>	<b>1,018,715</b>

## Note 12 Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (prior period: £nil). No trustees have incurred expenses that were reimbursed by the charity (prior period: £nil).

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KINGS ROAD CHURCH CIO**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2023 which are set out on pages 12 to 22.

### **Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**David Green MA (Cantab) ACA**

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12 July 2023