

Charity registration number 1200788

KNIGHTON FREE CHURCH

**ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 SEPTEMBER 2024**

KNIGHTON FREE CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Chris Trafford	(Resigned 27 June 2024)
	R. Patrick Bryan	(Resigned 12 April 2024)
	Joshua Radford	
	Peter Graves	(Resigned 31 July 2024)
	Jonathan Barrett	
	John Smuts	(Appointed 1 February 2024)
	Mr J Errawella	(Appointed 21 May 2024)
	Mr R Green	(Appointed 21 May 2024)

Charity number 1200788

Principal address Brinsmead Road
Knighton
Leicester
LE2 3WB

Independent examiner Paul Barnett FCCA
Newby Castleman LLP
West Walk Building
110 Regent Road
Leicester
LE1 7LT

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

Kingdom Bank
Media House
Padge Road
Beeston
Nottingham
NG9 2RS

KNIGHTON FREE CHURCH

CONTENTS

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 24

KNIGHTON FREE CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The trustees present their annual report and financial statements for the Church for the year ended 30 September 2024.

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 Charity's constitution, the Charities Act 2011 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 objects of the Church are:

- the advancement of the Christian Faith in accordance with the Basis of Faith primarily but not exclusively within Knighton, Leicester and the surrounding neighbourhood; and
- such other charitable purposes as shall, in the opinion of the Managing Trustees, further the work of the Church.

The vision of Knighton Free Church is to see all of God, through all of us, to all the world.

Safeguarding

Significant attention has been devoted to reviewing our safeguarding policies and procedures – since attitudes to safeguarding have changed much over recent years. Following a robust review, we introduced a new safeguarding policy for children and adults at risk. The church is a member of Thirtyone:Eight Safeguarding (<https://thirtyoneeight.org/>), as external safeguarding specialists, from whom we seek advice for our safeguarding policies and procedures. 'Thirtyone:eight' - is taken from Proverbs 31:8 "Speak out on behalf of the voiceless, and for the rights of vulnerable people." Indeed, throughout the Scriptures there is a clear call to care for vulnerable people. We have been conscious of the rising concerns in society, to provide the safest possible environment, particularly in high trust contexts that churches typically offer. The trustees are grateful for the commitment to safeguarding of the many volunteers serving within Knighton. This was demonstrated by the significant attendance of church members and leaders at training sessions, designed to ensure that the details of our Safeguarding Policy are understood and translated into practice.

Activities

No amount of change can undermine our commitment to grow as a faith community in worshipping Christ in Spirit and in truth. Despite the demands of a complex, shifting society, we continue to commend to our generation the faith, hope and love that God has given us in His Son Jesus Christ. We know this requires us to combine our conviction about the Lordship of Christ with gracious humility towards others of different perspectives. We have a particular focus on reaching and serving the needs of young people whether they are members of the church or merely visitors from the local community. The Elders seek to ensure that all our activities acknowledge the inspiration of God's Word so that the authority of the Holy Spirit of God speaking through Scripture governs our rule of faith and life.

Sunday services together with most other meetings are open to all. The 10.30am and the 7pm services are generally streamed for those unable to attend. The public benefit of collective worship and prayer is therefore experienced across a wide local community as well as further afield, including internationally. Our common life of worship and prayer includes activities for all ages and stages. While there is much overlap in the composition of congregations for different services, the Sunday 9 am service has a particular focus on adults as there is no particular provision for children. The 10:30 am is designed for the whole congregation, particularly families. The 7 pm service offers a more contemporary feel with a significant degree of participation making it especially attractive to students and young people.

KNIGHTON FREE CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Regular activities throughout the week are held for all age-groups from babies and toddlers to retired people. All groups are open to any member of the public, with many groups having significant numbers who are neither official church members nor attending Sunday services.

In all our activities we continue to improve our accessibility to people with additional needs. Not only have we made the building more accessible, we also strive to ensure that our oral, visual and written communications are as sensitive as possible to the widest spectrum of needs. We have made progress in welcoming everyone whatever their background, age or additional needs. This remains an ongoing learning experience in dialogue with those concerned.

Achievements and performance

The public benefits of worship and of participating in Holy Communion extend principally to those within the faith community. But it is well known that there are many benefits from meeting together, singing together and serving one another which extend to the wider community, including visitors and those exploring faith issues. The church serves as a place for the community to gather, to foster social connections and to build resilient networks. We provide a range of important services, many of which extend to whole families and offer refreshments at no cost to the community. Our teachings promote ethical values and thoughtful decision-making to help children and young people, to support couples, parents and singles, and to care for older people. We model sacrificial volunteering and financial giving to others demonstrating the value of an outward facing community.

Our worship services focus on the reality of our risen Saviour, Jesus Christ. We believe he is at work in our world through his Holy Spirit seeking to save those who are lost even while he is also seated at the right hand of Almighty God, our heavenly Father. These are profound truths that have shaped British society for centuries and will continue to do so fruitfully in the future. We will have to continue adapting to our changing social and economic context. Leicester is one of the UK's fastest growing areas; one of the most youthful; one of the most diverse with 240 faith groups and more than 70 languages spoken. This richly diverse community presents enormous challenges and opportunities which we embrace open heartedly. Knighton is a friendly, all-age church with a family feel and a strong sense of unity. We have an enviable mix of men, women and children from varied socio-economic and ethnic backgrounds. The church fellowship is mostly drawn from south Leicester and surrounding villages with a membership of around 200. We hold to a congregational order of church with our members responsible for the appointment of the Elders including our Pastors.

The Church is divided into identified areas of ministry. These include compassion ministries; families, children and youth; pastoral care; safeguarding; women's ministry; welcoming; financial management and others. As a long-standing member of the FIEC, we hold to a male eldership. Nevertheless, men and women are identified to lead these different areas of ministry and are encouraged to convene small teams to support their work. This enables a wide spectrum of people to use their gifts, interests and experience for the common good. The vast majority of service is therefore undertaken by volunteers. Each Deacon will be supported by a lead Elder who provides advice and direction as appropriate. Training and appraisal is therefore being developed in a light touch and proportionate manner to ensure that the best use is made of willing, but scarce, resources.

We also have regular events aimed at families from both church and the local community, The Family Hub. It includes games and crafts, singing, a Bible story and food. It is normally held on the first Saturday afternoon of the month. The Church also supported the Knighton Park Show taking a stand that gave the local community a chance to find out who we are and what we do.

For many years we have run a residential Christian camp for children and young people attending Knighton, other churches & their friends. Across each camp there are a variety of activities, games, trips and more. Each camp also meets together each day to sing, pray and learn more about Jesus and what it means to follow God today through what the Bible says. This is a significant commitment by the volunteers and staff who give their time to oversee the camps. But the impact over many years has been substantial and many testify to the experiences on camp having shaped the rest of their lives and service in the church.

KNIGHTON FREE CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Public benefit further afield

KFC is involved with organisations working locally, nationally and internationally. These include:

- Raft, supporting care-experienced children and young people in Leicester and Leicestershire
- Open Hands, providing emergency support and care for people in need in Leicester.
- Saffires, a ministry to women working in the sex industry in Leicester
- Transforming Lives for Good (TLG), reaching out to local schools to support and teach children who would be at risk of exclusion
- North Evington Church, helping to develop a church plant in a highly diverse neighbourhood of Leicester
- Friends International and UCCF, growing friendship and faith with local and international Students in the UK, including running the Globe Café
- Additional Needs Alliance, helping churches to include and support children, young people and young adults with additional needs or disabilities
- Overseas mission agencies e.g. Elalfarero, AWM, UFM, Compassion, Interserve - as well as other agencies that individual members of the church support with regular donations. We maintain links with a group of churches in Northern Romania providing support for the Pastor and delivering gifts through the Blythswood shoebox appeal. Ongoing regular donations, and money raised by the Crowdfunder appeal at the start of the war continues to be sent to the Ukraine refugee centre that we have supported for a number of years.

Financial review

The results for the year ended 30 September 2024 are shown in the Statement of Financial Activities on Page 8. This, together with the balance sheet on page 8 should be read in conjunction with the related notes in accordance with the Charities SORP (FRS 102)

Total income for the year amounted to £432,834 (2023 - £423,315) The principal funding source was donations and legacies. Total expenditure for the year amounted to £414,140 (2023 - £422,181) A breakdown of expenditure is set out in the notes to the financial statements. Both income and expenditure are closely monitored.

Our trading subsidiary continues to provide retirement accommodation for elderly Christians. The trading results are detailed in note 15 to the accounts.

Reserves policy

The Trustees have reviewed the reserves of the Church. They concluded that the policy is to maintain free reserves at a level which equates to at least three months unrestricted fund expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Church's current activities whilst consideration is given to ways in which additional funds may be raised. The Trustees define their free reserves as being total general funds less unrestricted tangible fixed assets and as at 30 September 2024 this amounted to £199,081.

Investment policy

In accordance with the terms of the Constitution, the investment powers are as follows:

- to invest the money of the Church in any investments, shares, securities or property (real or personal) of any nature (including investments involving liability and those not producing income) and in any location that the Managing Trustees decide.

The investments held by the Church continue to be social investments rather than financial investments.

The Trustees have regard to their statutory duties in terms of investments which includes a periodic review of their holdings.

Details of investments are summarised in note 15 to the accounts.

KNIGHTON FREE CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Major risks

The Trustees have assessed the major risks to which the Church is exposed. A risk register is in place to mitigate them. The most significant foreseeable risks were identified as follows:

- Children and vulnerable adults – the safeguarding of children and vulnerable adults is seen as a key responsibility of the Church. A revised safeguarding policy is in place and regular training is held for those working in these areas. DBS checks are regularly renewed.
- Data – the Church takes data protection seriously and aims to ensure that all personal data is safe from unauthorised access. The Church seeks to be fully compliant with legislation relating to data protection, GDPR and freedom of information.
- Finances – the Church is conducting a fundamental review of its financial arrangements. A Finance Team is being pulled together under a lead Trustee acting for the Elders collectively. This team will have accountancy skills and commercial experience. It will produce regular information for financial monitoring by the Trustees.
- Romanian & Ukrainian – the Trustees take reasonable steps to ensure that payments are applied for charitable purposes. We seek to work closely with our Romanian & Ukrainian partners and endeavour to make annual mission trips to see first-hand how our funds are utilised.
- Mission support – in a volatile world it is important to have clear understandings about the necessary support and liabilities involved in maintaining mission activities, particularly overseas. A review of our mission support policy will be conducted in consultation with our partners to introduce clearer approvals processes, reviews and exit strategies.
- Reputation – Trustees are aware of how damaging adverse circumstances can be to the reputation of the Church community resulting in a loss of confidence among those who voluntarily support the church. A governance review has been commissioned which will seek to minimise the risks which might arise from unwarranted assumptions, unclear accountabilities and loose controls.

Plans for future periods

The reforms of our Safeguarding arrangements and of our Constitution (CIO) have occupied a considerable amount of time and effort. They represent major achievements during the year. We have also made good use of the interregnum to recruit new Pastors and Elders. If these priorities have inhibited our capacity to deliver other new initiatives, we have nevertheless put in place plans for a new season of prayerful developments next year and beyond. We have embarked on a number of creative activities to help us cast a vision for a new phase in the life of the church:

- We have presented a series of sermons, reflections and feedback opportunities on the Book of Revelation. Chapters 1-3 deal with seven churches facing enormous change and adverse winds in the first century. We have sought collectively to explore how we might learn from their experience and there has been a ready and active response from Church members.
- We have begun work in consultation with members to set out a succinct new statement of our Vision & Values to give focus and coherence to our work.
- We have commissioned a substantial consultation exercise regarding a review of our governance. This has involved questionnaires, discussion groups during the Church Weekend Away, and drill down interviews with members of the congregation. A positive consensus has become evident around the need for clearer structures and accountability. Next year we hope to introduce a number of Deacons with agreed role descriptions so that leadership can be distributed more widely with appropriate challenge and support. We also plan to make one or two additional appointments to strengthen the team of Elders.
- The Governance Review will also explore how our behaviours, structures, processes and meetings might be modernised, simplified and clarified for more effective ministry in the longer term.
- We have drawn together a team of those willing to provide a personal welcome at our main services so that newcomers can feel at home. The welcome team also signpost individuals to other groups and activities that may be relevant to their situation. This has been well received and we want to build on its achievements.
- Our buildings are an important asset. We have begun to plan a three year program of maintenance and renewals to ensure that our facilities are updated, sustainable and safe.
- We have embarked on a fundamental review of our finances to ensure that they are better positioned to support our key priorities. We hope to improve our giving and expenditure plans so that our impact in the community leads to further engagement and growth.
- We plan to update our website and go live next year with an online presence that is more dynamic and user-friendly.

KNIGHTON FREE CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Structure, governance and management

Knighton Evangelical Free Church became a registered charity on 14th April 2009, in accordance with the legal requirement for churches to register as charities. On 5th April 2015, the name was changed to Knighton Free Church, since the Evangelical label may present a barrier to some. Knighton Free Church nevertheless continues to be an Evangelical Church.

The Church originally was unincorporated and governed by its Constitution. The Church constitution and Church Procedures were adopted on 2 September 2008 in order to comply with the requirements of the Charities Act.

On advice from Edward Connor, years of work behind the scenes, and a unanimous vote by the membership, the church transferred its assets, liabilities, ongoing activities and members into a CIO of the same name on 1st October 2023. On this date the new CIO constitution was also adopted. The Church Council continues to be responsible for the management of the affairs of the Church. The Church Council consists of the Elders of the Church.

As an incorporated body it has a legal personality of its own. This means it can enter into contracts in its own name. It can employ staff rather than requiring trustees to do this. It can own property in its own name. The Elders/trustees will review these options from time to time to decide whether there may be advantages in exploring them further in the future.

The Church is affiliated to The Fellowship of Independent Evangelical Churches, the Evangelical Alliance and the Midlands Gospel Partnership. Our Pastors also have personal networks that help local churches to collaborate in mutual support.

A long season of stability with limited change has come to an end. The appointment of a new Senior Pastor, John Smuts, and Associate Pastor, Jon Barrett, followed more than two decades of much valued service by Andy Upton, Senior Pastor, and Fiona Hamilton, Women's Worker. In addition and for a variety of different reasons Tim Dixon, Patrick Bryan, Chris Trafford and Barry Mitchell resigned as Elders. Individually and collectively they have made a huge contribution to the life of the church for which we are immensely grateful. The loss of institutional knowledge and wide experience of Eldership has been marked. We place on record our formal thanks to them on behalf of all our congregation members.

The trustees who served during the year and up to the date of signature of the financial statements were:

Chris Trafford	(Resigned 27 June 2024)
R. Patrick Bryan	(Resigned 12 April 2024)
Joshua Radford	
Peter Graves	(Resigned 31 July 2024)
Jonathan Barrett	
John Smuts	(Appointed 1 February 2024)
Mr J Errawella	(Appointed 21 May 2024)
Mr R Green	(Appointed 21 May 2024)

Recruitment and appointment of trustees

Pastors shall be nominated by the Church Council and be elected by the admitted members of the Church by a special resolution passed at a special Church meeting.

Nomination for Eldership shall be made by the Church Council and be submitted to the Church for consideration as a special resolution at a special Church meeting. Elders should be elected for periods of up to 5 years and shall be eligible for re-election every 5 years. They will not be eligible to serve a further term for 12 months.

The Pastor and Elders are also the Officers of the Church and the Managing Trustees of Knighton Free Church. Whenever a new Managing Trustee is appointed, they are provided with a copy of the latest annual report and accounts of the Church, the Constitution and Church procedures and other relevant documentation.

KNIGHTON FREE CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

If last year has been one of consolidation, our prayer and plans are that next year we will invest more strongly in our vision - to see all of God, through all of us, to all the world.

The trustees' report was approved by the Board of Trustees.

Mr R Green

Trustee

13 March 2025

KNIGHTON FREE CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF KNIGHTON FREE CHURCH

I report to the trustees on my examination of the financial statements of Knighton Free Church (the Charity) for the year ended 30 September 2024.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

P T Barnett FCCA (Independent Examiner)

Newby Castleman LLP
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Dated: 13 March 2025

KNIGHTON FREE CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Income from:					
Donations and legacies	3	355,730	33,572	389,302	363,046
Charitable activities	4	34,120	1,670	35,790	54,146
Other trading activities	5	2,940	-	2,940	1,906
Investments	6	4,757	45	4,802	4,217
Total		397,547	35,287	432,834	423,315
Charitable activities	7	381,167	32,973	414,140	422,181
Net income		16,380	2,314	18,694	1,134
Transfers between funds	19/20	500	(500)	-	-
Net movement in funds		16,880	1,814	18,694	1,134
Reconciliation of funds:					
Total funds brought forward		651,979	365,461	1,017,440	1,016,306
Total funds carried forward		668,859	367,275	1,036,134	1,017,440

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

KNIGHTON FREE CHURCH

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14		470,611		486,170
Investments	15		345,430		344,429
			<u>816,041</u>		<u>830,599</u>
Current assets					
Debtors	16	53,665		77,568	
Cash at bank and in hand		178,505		136,616	
		<u>232,170</u>		<u>214,184</u>	
Liabilities					
Creditors: amounts falling due within one year	17	12,077		27,343	
		<u>12,077</u>		<u>27,343</u>	
Net current assets			220,093		186,841
Total assets less current liabilities			<u>1,036,134</u>		<u>1,017,440</u>
Funds of the Charity					
Restricted funds	19		367,275		365,461
Unrestricted funds	20		668,859		651,979
Total charity funds			<u>1,036,134</u>		<u>1,017,440</u>

The notes on pages 10 to 24 form part of these financial statements.

The financial statements were approved and authorised by the board of trustees on 13 March 2025 and are signed on its behalf by:

Mr R Green
Trustee

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Charity information

Knighton Free Church is governed by its Constitution.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Charity's Constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities 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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

On 1 October 2023 the charity converted from an unincorporated charity to a charitable incorporated organisation. That charity met the criteria for merger accounting as defined in the FRS 102 SORP and as such this is treated as a merger.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Funds held by the Church are:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Church. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is subsequently charged to the fund.

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.4 Income

All income is recognised once the Church has entitlement to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

- Donations are accounted for when they are received.
- Income Tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.
- Income from charitable activities is recognised when the church group event takes place.
- Entitlement to income from trading activities usually occurs when the room hire has taken place.
- Investment income is recognised on a received basis.
- Grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

No amounts are included in the accounts for services donated by volunteers.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs relating to the category.

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

Expenditure on charitable activities is divided into youth activities, adult activities and overseas work.

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

Support costs

Support costs are those that assist the work of the Church but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure in line with the objectives of the Church. Support costs are allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 10.

1.6 Tangible fixed assets

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

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 and buildings	Not depreciated
Improvements to freehold building	2% on cost
Furniture and equipment	10% on cost
Computer Equipment	33.3% on cost
Motor vehicles	25% on cost

No depreciation has been provided on freehold land and buildings because the trustees consider the residual value to be higher than the carrying amount.

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments comprise a programme related investment in the form of shares in a subsidiary company. The primary motivation for the investment is to further the objects of the Church rather than to generate a financial return. The shares are measured and included in the accounts at par value (cost) less impairment because its fair value cannot be measured reliably. The Trustees have a pre-emption, in their favour, to acquire any shares of any class from Knighton Evangelical Care Limited as they become available at their par value.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities (SOFA) unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

1.11 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to the defined contribution retirement benefit scheme and payments to other personal pension schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Charity'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.

The trustees do not consider there to be any key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations	242,795	19,742	262,537	278,812	24,074	302,886
Legacies receivable	66,886	-	66,886	-	-	-
Grants	-	-	-	-	7,705	7,705
Gift Aid	46,049	2,300	48,349	48,101	75	48,176
Special Appeals	-	11,530	11,530	-	4,279	4,279
	<u>355,730</u>	<u>33,572</u>	<u>389,302</u>	<u>326,913</u>	<u>36,133</u>	<u>363,046</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Advancement of the Christian Faith						
Weekend away	7,021	-	7,021	-	-	-
Church groups	27,099	1,670	28,769	36,106	18,040	54,146
	<u>34,120</u>	<u>1,670</u>	<u>35,790</u>	<u>36,106</u>	<u>18,040</u>	<u>54,146</u>

5 Income from other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Room hire	650	-	650	1,189	-	1,189
Other	2,290	-	2,290	717	-	717
	<u>2,940</u>	<u>-</u>	<u>2,940</u>	<u>1,906</u>	<u>-</u>	<u>1,906</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

6 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Bank interest	1,999	23	2,022	758	25	783
Interest on Gift Aid recoverable	153	22	175	573	-	573
Solar Panel income	2,605	-	2,605	2,861	-	2,861
	<u>4,757</u>	<u>45</u>	<u>4,802</u>	<u>4,192</u>	<u>25</u>	<u>4,217</u>

7 Expenditure on charitable activities

	Activities undertaken directly Note 8 £	Grant funding Note 9 £	Support Costs Note 10 £	Total 2024 £	Total 2023 £
Youth activities	72,766	19,900	42,470	135,136	127,644
Adult activities	125,416	13,334	54,958	193,708	184,063
Overseas work	9,592	73,789	1,915	85,296	110,474
	<u>207,774</u>	<u>107,023</u>	<u>99,343</u>	<u>414,140</u>	<u>422,181</u>
Unrestricted funds				381,167	364,761
Restricted funds				32,973	57,420
				<u>414,140</u>	<u>422,181</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

8 Expenditure on activities undertaken directly

	Youth activities £	Adult activities £	Overseas work £	Total 2024 £	Total 2023 £
Staff costs	29,297	109,865	7,324	146,486	100,947
Romanian Church programme	-	-	2,268	2,268	12,060
North Evington Church programme	-	5,000	-	5,000	5,000
Home for Good	6,963	-	-	6,963	3,754
Preachers' fees and expenses	-	1,295	-	1,295	1,747
Evangelistic events	1,527	2,898	-	4,425	7,110
Weekend away	1,996	5,988	-	7,984	-
Church groups	32,983	370	-	33,353	53,664
	<u>72,766</u>	<u>125,416</u>	<u>9,592</u>	<u>207,774</u>	<u>184,282</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

9 Expenditure on grant funding		Youth activities 2024 £	Adult activities 2024 £	Overseas work 2024 £	Total 2024 £	Youth activities 2023 £	Adult activities 2023 £	Overseas work 2023 £	Total 2023 £
	Grants to institutions for missionary support:								
	Latin Link	-	-	8,627	8,627	-	-	9,452	9,452
	Interserve	-	-	15,000	15,000	-	-	18,000	18,000
	UFM Worldwide	-	-	15,906	15,906	-	-	15,906	15,906
	UCCF	3,500	-	-	3,500	3,500	-	-	3,500
	Friends International	5,500	-	-	5,500	5,875	-	-	5,875
	Arab World Ministries	-	-	6,600	6,600	-	-	8,284	8,284
	Grants to institutions and their purposes:								
	Open Hands - food bank	-	8,000	-	8,000	-	8,000	-	8,000
	Midlands Gospel Partnership - collaboration	-	500	-	500	-	500	-	500
	Saffires - women in sex industry	-	2,442	-	2,442	-	2,400	-	2,400
	TLG Early Intervention - children and families	900	-	-	900	900	-	-	900
	Special Appeals	-	2,032	6,071	8,103	-	237	2,933	3,170
	Great Change Church - Ukraine	-	-	12,585	12,585	-	-	27,111	27,111
	Other (£500 or less)	500	360	-	860	1,000	1,147	-	2,147
		10,400	13,334	64,789	88,523	11,275	12,284	81,686	105,245
	Grants to individuals for missionary support:								
	Kay and Steve Morgan-Gurr	9,500	-	-	9,500	9,500	-	-	9,500
	Beni and Ioana Handaric	-	-	9,000	9,000	-	-	8,250	8,250
		19,900	13,334	73,789	107,023	20,775	12,284	89,936	122,995

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

10 Expenditure on support costs

	2024 £	2023 £
Travel and minibus expenses	4,603	5,140
Light and heat	5,167	8,497
Water and general insurance	3,923	9,207
Repairs, cleaning and waste disposal	19,873	12,714
Subscriptions	9,856	9,396
Books and training	3,336	9,176
Telephone, internet, printing and computer	5,967	5,256
Professional fees	9,743	22,517
Miscellaneous expenses	7,223	7,279
Governance costs	7,434	7,320
Depreciation	20,051	17,319
Loss on disposal of assets	2,167	1,083
	<u>99,343</u>	<u>114,904</u>
Analysed between:		
Youth activities	42,470	44,479
Adult activities	54,958	66,994
Overseas work	1,915	3,431
	<u>99,343</u>	<u>114,904</u>

Included within Subscriptions, is a payment made to Evangelical Alliance for £1,750 (2023: £1,700).

Support costs are allocated between the various charitable activities on a basis consistent with the use of resources.

The amount charged to the SOFA in respect of independent examiner's fee was:

- Examination £3,345 (2023: £3,210)
- Accountancy £4,089 (2023: £3,870)

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2024 FTE	2023 Number	2023 FTE
Ministry	3	3	3	2
Administration	3	2	3	2
	<u>6</u>	<u>5</u>	<u>6</u>	<u>4</u>
Total	<u>6</u>	<u>5</u>	<u>6</u>	<u>4</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

11 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	135,557	90,855
Social security costs	1,521	4,025
Other pension costs	9,408	6,067
	<u>146,486</u>	<u>100,947</u>

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

12 Trustees

Remuneration was paid to the Trustees (as permitted by the Church Constitution) as follows:

		2024 £	2023 £
A Upton, Pastor	Salary	-	11,509
A Upton, Pastor	Pension costs	-	978
		<u>-</u>	<u>12,487</u>
J Smut, Pastor	Salary	30,062	-
J Smut, Pastor	Pension costs	2,465	-
		<u>32,527</u>	<u>-</u>
J Barrett, Associate Pastor	Salary	35,350	2,875
J Barrett, Associate Pastor	Pension costs	2,911	240
		<u>38,261</u>	<u>3,115</u>
Total remuneration paid to Trustees		<u>70,788</u>	<u>15,602</u>

The above remuneration was paid to the Trustees in return for their ministerial services to the Church. No remuneration was paid to the Trustees for their roles as Trustees of the Church.

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

12 Trustees

(Continued)

Two Trustees (2023: Two Trustee) were reimbursed expenses as follows:

	2024 £	2023 £
Hospitality allowance	1,750	271
Telephone and internet	138	11
Conferences	15	-
Travel and subsistence	392	38
Sundry	11	-
	<u>2,306</u>	<u>320</u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Freehold land and buildings	Improvements to freehold building	Furniture and equipment	Computer and Equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2023	60,778	519,437	125,567	4,782	6,600	717,164
Additions	-	-	4,132	2,527	-	6,659
Disposals	-	(768)	(6,648)	(1,095)	-	(8,511)
At 30 September 2024	<u>60,778</u>	<u>518,669</u>	<u>123,051</u>	<u>6,214</u>	<u>6,600</u>	<u>715,312</u>
Depreciation and impairment						
At 1 October 2023	-	146,758	73,953	3,683	6,600	230,994
Depreciation charged in the year	-	11,080	7,857	1,114	-	20,051
Eliminated in respect of disposals	-	(289)	(4,960)	(1,095)	-	(6,344)
At 30 September 2024	<u>-</u>	<u>157,549</u>	<u>76,850</u>	<u>3,702</u>	<u>6,600</u>	<u>244,701</u>
Carrying amount						
At 30 September 2024	<u>60,778</u>	<u>361,120</u>	<u>46,201</u>	<u>2,512</u>	<u>-</u>	<u>470,611</u>
At 30 September 2023	<u>60,778</u>	<u>372,679</u>	<u>51,614</u>	<u>1,099</u>	<u>-</u>	<u>486,170</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

15 Fixed asset investments

	Unlisted investment in subsidiary £
Cost	
At 1 October 2023	344,429
Additions	1,001
	<hr/>
At 30 September 2024	345,430
	<hr/>

Knighton Evangelical Care Limited has a 31 March year end. The aggregate capital and reserves and the results for the year ended 31 March 2024 of the subsidiary (not consolidated) for the year were as follows:

	Capital and reserves £	Profit for the year after taxation £
Knighton Evangelical Care Limited	1,330,722	49,720
	<hr/>	<hr/>

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	259	931
Prepayments and accrued income	53,406	76,637
	<hr/>	<hr/>
	53,665	77,568
	<hr/>	<hr/>

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	3,148	1,158
Trade creditors	-	54
Other creditors	895	569
Accruals and deferred income	8,034	25,562
	<hr/>	<hr/>
	12,077	27,343
	<hr/>	<hr/>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

18 Retirement benefit schemes

The Church contributes 8% of pensionable salary for all eligible employees into a personal pension scheme of their choice, if they accept the offer.

The Church also operates a defined contribution pension scheme for other qualifying employees. The assets of the scheme are held separately from those of the charitable organisation in an independently administered fund.

The charge to the SOFA in respect of retirement benefit contribution was £9,408 (2023: £6,067), all of which was unrestricted.

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2023	Incoming resources	Resources expended	Transfers	At 30 September 2024
	£	£	£	£	£
Accommodation for the Elderly	344,429	1,001	-	-	345,430
New Life	2,000	443	(371)	-	2,072
Special Appeals	218	11,530	(9,716)	(2,032)	-
Home for Good	7,430	33	(6,963)	(500)	-
Knightlife	-	1,250	(501)	-	749
There is Hope	4,818	-	(2,837)	-	1,981
Ukraine	6,566	21,030	(12,585)	2,032	17,043
	<u>365,461</u>	<u>35,287</u>	<u>(32,973)</u>	<u>(500)</u>	<u>367,275</u>

Previous year:	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
Accommodation for the Elderly	344,429	-	-	-	344,429
New Life	3,174	18,052	(19,226)	-	2,000
Special Appeals	13,016	4,279	(3,170)	(13,907)	218
Home for Good	6,792	4,392	(3,754)	-	7,430
Romania	272	-	(272)	-	-
There is Hope	-	6,305	(1,487)	-	4,818
Asda Grant	-	400	(400)	-	-
Nippers FIEC Grant	-	1,000	(2,000)	1,000	-
Ukraine	-	19,770	(27,111)	13,907	6,566
	<u>367,683</u>	<u>54,198</u>	<u>(57,420)</u>	<u>1,000</u>	<u>365,461</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

19 Restricted funds

(Continued)

Accommodation for the Elderly: to provide accommodation for elderly Christians near to the Church premises. This objective has been fulfilled in "Knighton Homes", which is run by Knighton Evangelical Care Limited.

New Life: to provide a programme of activities for senior citizens and to support Missionary organisations.

Special Appeals: to support various appeals both in the U.K. and overseas. Transfers last year comprise £13,907 to separate the Ukraine fund. During the year, £2,032 was transferred to Ukraine fund being the money raised during the Christmas Appeal.

Home for Good: to raise awareness of fostering and adoption and to support adoptive and foster families. This was closed during the year and the remaining balance was distributed to other charities with similar aims. A transfer of £500 was made to Knighton Free Church as gift for the support they provided.

Knightlife: to provide a programme of activities for young people ages 14 to 18. This is ordinarily run as a designated fund, however during the year, money was donated specifically for this programme.

There is Hope: to develop a digital tract ministry with the theme of Hope to reach out to as many as possible in this way about the Christian faith.

Asda Grant: to support the Coronation Day celebration event held at the church premises to encourage families from the local community to come along to enjoy food and activities.

Nippers FIEC Grant: to be able to provide support to local families in the community with the provision of a free playgroup. As well as providing refreshments and conversation, there are fun activities, singing and bible stories told. Transfers during last year comprise £1,000 from general funds to match the grant received per the application.

Ukraine: to support the work of a Church in Ukraine which is running a refugee centre. This was included within Special Appeals and during last year, £13,907 was transferred from Special Appeals fund to show this separately. During the year, £2,032 was transferred from Special Appeals for the money raised during the Christmas Appeal.

20 Unrestricted funds

The unrestricted funds of the charity include general funds and designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2023	Incoming resources	Resources expended	Transfers	At 30 September 2024
	£	£	£	£	£
Building	383,788	-	(13,169)	-	370,619
Knightlife	3,387	4,082	(5,262)	-	2,207
Romania	6,134	5,681	(11,268)	-	547
Summer Camp (formerly Hungarton Camp)	17,526	23,093	(29,534)	-	11,085
General funds	241,144	364,691	(321,934)	500	284,401
	<u>651,979</u>	<u>397,547</u>	<u>(381,167)</u>	<u>500</u>	<u>668,859</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

20 Unrestricted funds

(Continued)

Previous year:	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
Building	373,774	-	(11,175)	21,189	383,788
Knightlife	1,770	5,349	(5,569)	1,837	3,387
Romania	11,965	13,032	(19,868)	1,005	6,134
Hungarton Camp	17,242	31,276	(30,392)	(600)	17,526
General funds	243,872	319,460	(297,757)	(24,431)	241,144
	<u>648,623</u>	<u>369,117</u>	<u>(364,761)</u>	<u>(1,000)</u>	<u>651,979</u>

Building: the building fund reflects the net book value of historical improvements to the freehold premises and the cash balance to spend on improvements to the building. Transfers during the year comprise £nil (2023: £21,189) from general funds.

Knightlife: to provide a programme of activities for young people aged 14 to 18. Transfers during the year comprise £nil (2023: £1,837) from general funds.

Romania: to support the work of a group of Churches in Northern Romania. Transfers during the year comprise £nil (2023: £405) from general funds and £nil (2023: £600) from the Hungarton Camp designated fund.

Summer Camps (formerly Hungarton Camp): to provide a programme of activities for young people aged between 9 and 18. The Camp is supported by a number of volunteers who give their time freely. In the current year no surplus has been generated due to covering the cost of using a new site. There is no transfer to the Romania designated fund (2023: £600) because of this.

21 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 30 September 2024 are represented by:			
Tangible assets	469,778	833	470,611
Investments	-	345,430	345,430
Current assets/(liabilities)	199,081	21,012	220,093
	<u>668,859</u>	<u>367,275</u>	<u>1,036,134</u>

KNIGHTON FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

21 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 30 September 2023 are represented by:			
Tangible assets	486,170	-	486,170
Investments	-	344,429	344,429
Current assets/(liabilities)	165,809	21,032	186,841
	<u>651,979</u>	<u>365,461</u>	<u>1,017,440</u>

22 Controlling party

The Church is controlled by the Church Council.

23 Related party transactions

Transactions with related parties

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

Donations received	2024 £	2023 £
Aggregate donations received from related parties without conditions attached	<u>13,190</u>	<u>16,749</u>

Other transactions

There have been no other related party transactions in the reporting period that require disclosure in the accounts apart from those detailed in note 12 to the accounts.

24 Merger

On 1 October 2023, the activities, assets and liabilities of the unincorporated charity were transferred to the charitable incorporated organisation. The unincorporated charity was subsequently closed and removed from the Charity Commission register. The charity's purpose and beneficiary class remained unchanged and the criteria for merger accounting has been met, as defined in the FRS 102 SORP.