

**REGISTERED COMPANY NUMBER: 01093879 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 265612**

**KINGSWAY CLC TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Berringers LLP**  
**Lygon House**  
**50 London Road**  
**Bromley**  
**Kent**  
**BR1 3RA**

# **KINGSWAY CLC TRUST**

## **CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2022**

	<b>Page</b>
<b>Reference and administrative details</b>	<b>1</b>
<b>Report of the trustees</b>	<b>2 to 4</b>
<b>Report of the independent auditors</b>	<b>5 to 7</b>
<b>Consolidated statement of financial activities</b>	<b>8</b>
<b>Consolidated balance sheet</b>	<b>9</b>
<b>Consolidated cash flow statement</b>	<b>10</b>
<b>Notes to the consolidated cash flow statement</b>	<b>11</b>
<b>Notes to the consolidated financial statements</b>	<b>12 to 22</b>
<b>Consolidated detailed statement of financial activities</b>	<b>23 to 24</b>

**KINGSWAY CLC TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS  
for the year ended 31 March 2022**

<b>TRUSTEES</b>	G B Chamberlin P V Dalton Mrs E Dowey W H M MacKenzie W E Owen Mrs L M Owen J M Watkins
<b>COMPANY SECRETARY</b>	W E Owen
<b>REGISTERED OFFICE</b>	Unit 5 Glendale Avenue Sandycroft Industrial Estate Sandycroft Deeside CH5 2QP
<b>REGISTERED COMPANY NUMBER</b>	01093879 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	265612
<b>AUDITORS</b>	Berringers LLP Lygon House 50 London Road Bromley Kent BR1 3RA

**KINGSWAY CLC TRUST**  
**REPORT OF THE TRUSTEES**  
**for the year ended 31 March 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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**

**Objectives and aims**

The Trust's object as defined by its Memorandum and Articles of Association is "to advance the Christian Faith by such lawful means as the Foundation may determine". The activities carried out in furtherance of this object are wholesale, publishing and dealing in Christian literature, making and distributing Christian films and music, conducting Christian bookshops and running Christian conferences.

**STRATEGIC REPORT**

**Achievement and performance**

**Charitable activities**

It is hard to ignore the economic turmoil in the world with a range of external factors inevitably having a direct impact on the charity's operation and finances. With UK business confidence low, Gross domestic product (GDP) still lower than pre pandemic, and the fall in the value of the pound against the US dollar all giving a real sense of economic uncertainty.

The Trustees believe that the changing nature of people's belief is a much bigger threat than the state of the economy. It underlines the need for our ministry and the value of the message we carry and it spurs us on to share the gospel message of hope, remaining confident in our faith and in Jesus, our precious Saviour.

During the year we have nevertheless seen recovery signs from the challenging impact of the coronavirus with the easing of governmental lock down restrictions that were imposed to counter its spread and damage on public health, the economy, and businesses.

Government measures resulted in the total closure of Christian bookshops and all Christian events being forbidden to happen for much of the prior year. The impact on wholesale turnover being dramatically felt as reported last year.

There has been a considerable bounce back this year, with independent bookshops doing reasonably well, and the addition of a number of new publishers to our stock list. This and our combination of sales channels has resulted in significant growth.

Total income has grown from £4,470,492 to £5,769,301, an increase of £1,298,809, 29.1%, with income of sales of Bibles, Christian books, CD's, DVD's, and other resources growing from £4,168,280 to £5,578,657, an increase of £1,410,377, 33.8%

We have undoubtedly been helped by the fact that we have never had to close our warehouse due to Covid, despite times of considerable pressure. This is a testimony to the tremendous work and dedication of the exec team, and all employees, in managing the whole process of caring and implementing safe working procedures.

The net result for the year is a deficit of £57,852 that compares with a prior year surplus of £4,211.

The trustees note that within the above deficit and even with the addition of distribution agreements with new publishers the value of products stock over the year reduced by £198,248, 10.5% to £1,698,700. Included in this is a sizable increase in the impairment provision for slow moving stock items of £68,000.

In October 2021 the charity was pleased to host the worship for Mission Worship, as part of the ongoing celebration of 25 years of this event, at the Christian Resources Exhibition at Sandown, as well as a number of profiling online pre-recorded Mission Worship and interactive Hand in Hand events that included many worldwide song writers, worship leaders, and church youth and children champions' contributions seeking to encourage and equip the church with much success and positive and encouraging feedback.

## **KINGSWAY CLC TRUST**

### **REPORT OF THE TRUSTEES for the year ended 31 March 2022**

We are grateful to the trustees of No Frontiers (Literature Outreach) Ltd who having decided to dissolve their charity agreed that all remaining assets of the charity are to be donated and transferred to KCLCT and are fully supportive of our intention to promote an enlarged "foreign translations" sales category to advance the Christian faith through the production and distribution of Christian literature.

KCLCT was founded on the basis that we serve God and want to see His purposes fulfilled.

The trustees are very aware that we build on the foundations of those who have served faithfully, prayerfully, and gone before us and because of their service we have an extremely rich heritage. Kingsway Trust is now 49 years old, having commenced in 1973. The combined operations of KCLCT constitute 129 years of mission and ministry. By God's grace, and despite many hurdles to overcome, we are forever grateful for the opportunities that we continue to be presented with.

We have the responsibility and privilege of overseeing KCLCT for this time, before handing it on to those who will follow us.

#### **Public Benefit**

The charity's trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission. The charity delivers public benefit by virtue of the activities described above. The Trustees receive no private benefits from the charity and those in poverty are not excluded from benefiting from the charity's services.

#### **Financial review**

##### **Financial position**

The trust made a deficit on general activities for the period of £57,852, leaving general reserves at the year end of £2,852,360.

##### **Reserves policy**

The directors have examined the charities requirements for reserves in the light of the main risks to the organisation and the expansion of activities as outlined earlier in this report. A level of three-month general expenditure not directly related to turnover is considered desirable but not as yet attained. The directors are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

### **Organisational structure**

The charity is a company limited by guarantee. The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are listed on page 1 under the heading Trustees.

The directors of the company are also the charity trustees and comprise the management committee. Each year at the general meeting one third of the trustees since their last election or appointment, retire from office, but are then eligible for re-election.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Related parties of Kingsway CLC trust include No Frontiers (Literature Outreach) Ltd, a charitable company which is wholly owned by the trust; Justice and Mercy International, a charity with shared trustees, CLC International UK, a charity with shared trustees and Revived.com Resources Limited, a dormant company with shared trustees.

The trustees report was approved by the Board of Trustees.

## **KINGSWAY CLC TRUST**

### **REPORT OF THE TRUSTEES for the year ended 31 March 2022**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Kingsway CLC Trust for the purposes of company law) are responsible for preparing the Group Report of the trustees and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The auditors, Berringers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 15 November 2022 and signed on the board's behalf by:

W E Owen - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KINGSWAY CLC TRUST**

### **Opinion**

We have audited the consolidated financial statements of Kingsway CLC Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Consolidated cash flow statement and consolidated notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for qualified opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KINGSWAY CLC TRUST**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the independent auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and error, we considered the following:

- the nature of the industry, control environment and business performance;
- results of our enquiries to management about their own assessment of the risks of fraud and error;
- the matters discussed among the audit engagement team regarding how and where fraud may occur in the financial statements and any potential indicators of fraud.

Our procedures to respond to risk include the following:

- reviewing the financial statement disclosures and testing to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected areas that may indicate risks of material misstatement due to fraud or error;
- addressing the risk of fraud and error through management override of controls, testing the appropriateness of journals, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
KINGSWAY CLC TRUST**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Allan BSocSc FCA (Senior Statutory Auditor)  
for and on behalf of Berringers LLP  
Lygon House  
50 London Road  
Bromley  
Kent  
BR1 3RA

Date: 21 December 2022

**KINGSWAY CLC TRUST**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the year ended 31 March 2022**

		Unrestricted funds	Restricted fund	Year ended 31 March 2022 Total funds £	Year ended 31 March 2021 Total funds £
	Notes				
<b>INCOMING RESOURCES AND ENDOWMENTS</b>					
Donations and legacies	2	109,043	904	109,947	47,511
<b>Charitable activities</b>					
Sale of Christian Literature	4	5,578,657	-	5,578,657	4,168,280
Investment income	3	67,082	-	67,082	81,110
Other income		13,615	-	13,615	173,591
<b>Total incoming resources</b>		<u>5,768,397</u>	<u>904</u>	<u>5,769,301</u>	<u>4,470,492</u>
<b>RESOURCES EXPENDED</b>					
Raising funds	5	49,100	-	49,100	29,978
<b>Charitable activities</b>					
Sale of Bibles and Christian Literature	6	5,777,035	-	5,777,035	4,435,202
Direct grant support		-	1,018	1,018	1,101
<b>Total resources expended</b>		<u>5,826,135</u>	<u>1,018</u>	<u>5,827,153</u>	<u>4,466,281</u>
<b>NET (OUTGOING)/INCOMING RESOURCES</b>		(57,738)	(114)	(57,852)	4,211
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>2,910,098</u>	<u>114</u>	<u>2,910,212</u>	<u>2,906,001</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>2,852,360</u></u>	<u><u>-</u></u>	<u><u>2,852,360</u></u>	<u><u>2,910,212</u></u>

The consolidated statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The prior year consolidated statement of financial activities is provided in note 12.

The notes form part of these financial statements

**KINGSWAY CLC TRUST**  
**CONSOLIDATED BALANCE SHEET**  
**31 March 2022**

				2022	2021
		Unrestricted funds	Restricted fund	Total funds	Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	13	1,719,959	-	1,719,959	1,744,328
<b>CURRENT ASSETS</b>					
Stocks	15	1,698,700	-	1,698,700	1,896,948
Debtors	16	584,988	90	585,078	389,323
Cash at bank		140,321	-	140,321	85,086
		<u>2,424,009</u>	<u>90</u>	<u>2,424,099</u>	<u>2,371,357</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(1,055,139)	(90)	(1,055,229)	(1,159,640)
<b>NET CURRENT ASSETS</b>		<u>1,368,870</u>	<u>-</u>	<u>1,368,870</u>	<u>1,211,717</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,088,829</u>	<u>-</u>	<u>3,088,829</u>	<u>2,956,045</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	18	(236,469)	-	(236,469)	(45,833)
<b>NET ASSETS</b>		<u>2,852,360</u>	<u>-</u>	<u>2,852,360</u>	<u>2,910,212</u>
<b>FUNDS</b>	20				
Unrestricted funds				2,852,360	2,910,098
<b>Restricted funds</b>					
Justice and Mercy				-	114
<b>TOTAL FUNDS</b>				<u>2,852,360</u>	<u>2,910,212</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company. The notes at pages 12 to 24 form part of these accounts.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 November 2022 and were signed on its behalf by:

W E Owen - Trustee

The notes form part of these financial statements

**KINGSWAY CLC TRUST**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 31 March 2022**

	Notes	Year ended 31 March 2022 £	Year ended 31 March 2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(297,638)</u>	<u>(131,403)</u>
Net cash (used in)/provided by operating activities		<u>(297,638)</u>	<u>(131,403)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(17,960)</u>	<u>(42,376)</u>
Net cash used in investing activities		<u>(17,960)</u>	<u>(42,376)</u>
<b>Cash flows from financing activities</b>			
New loans in year		405,000	50,000
Loan repayments in year		<u>(34,167)</u>	<u>-</u>
Net cash provided by financing activities		370,833	50,000
<b>Change in cash and cash equivalents in the reporting period</b>		55,235	(123,779)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>85,086</u>	<u>208,865</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>140,321</u>	<u>85,086</u>

The notes form part of these financial statements

**KINGSWAY CLC TRUST**  
**NOTES TO THE CASH FLOW STATEMENT**  
**for the year ended 31 March 2022**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
<b>Net income for the reporting period (as per the Statement of financial activities)</b>	<b>(57,852)</b>	<b>4,211</b>
<b>Adjustments for:</b>		
Depreciation charges	42,329	43,201
Donations received in kind	(36,340)	(35,611)
Decrease/(increase) in stocks	198,248	(626,571)
Decrease/(increase) in debtors	(159,415)	109,384
Increase in creditors	<u>(284,608)</u>	<u>373,983</u>
<b>Net cash (used in)/provided by operations</b>	<b><u>(297,638)</u></b>	<b><u>(131,403)</u></b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.21 £	Cash flow £	At 31.3.22 £
<b>Net cash</b>			
Cash at bank	<u>85,086</u>	<u>55,235</u>	<u>140,321</u>
	<u>85,086</u>	<u>55,235</u>	<u>140,321</u>
<b>Debt</b>			
Debts falling due within 1 year	(34,167)	(180,197)	(214,364)
Debts falling due after 1 year	<u>(45,833)</u>	<u>(190,636)</u>	<u>(236,469)</u>
	<u>(80,000)</u>	<u>(370,833)</u>	<u>(450,833)</u>
	<u>5,086</u>	<u>(315,598)</u>	<u>(310,512)</u>

The notes form part of these financial statements

**KINGSWAY CLC TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2022**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The charity is a company limited by guarantee and is incorporated in the United Kingdom. The registered office is shown on page 1. The charity constitutes a public benefit entity as defined by FRS 102.

**Going concern**

The trustees have reviewed the post year end financial information available at the time of approving these financial statements, giving consideration to the on-going worldwide coronavirus outbreak, and have concluded that the financial statements should be prepared on a going concern basis.

**Basis of consolidation**

The consolidated financial statements present the results of Kingsway CLC Trust and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

**Parent company disclosure exemption**

The financial statements consolidate the results of the charity and its wholly owned subsidiary No Frontiers (Literature Outreach) Ltd on a line-by-line basis. A separate Statement of Financial Activities, and income and expenditure account, for the charity itself are not presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

**Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Turnover from the sales of Bibles and Christian literature is brought into account as receivable for the period and excludes VAT.

Donations, legacies and gifts are recognised when received or when the charity becomes legally entitled to them having been notified in writing of both the amount and settlement date. Donations are allocated specifically at the request of the donor, or to the general fund for volunteers. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either of those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

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

**Expenditure**

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, exclusive of any VAT.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Costs have been allocated to specific departments on a usage basis, as a result no further allocation of costs is required.

## KINGSWAY CLC TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

#### 1. ACCOUNTING POLICIES - continued

There are no costs to be allocated to the cost of generating voluntary income.

Distributions to volunteers and centres are recognised on commitment to payment and are included in charitable expenditure. Staff costs have been included in charitable expenditure.

#### **Allocation and apportionment of costs**

In accordance with SORP FRS 102, governance costs have been included within support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit and legal fees together with the apportionment of overhead and support costs.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Improvements to property	- 5% on cost
Plant and machinery	- 10% - 33.3% on cost
Fixtures and fittings	- 10% - 20% on cost
Computer equipment	- 20% - 33.3% on cost

Fixed assets donated from CLC International (UK) were initially included within fixed asset additions at the net book value as per the audited financial statements of CLC International (UK) and then depreciated over their useful economic lives with reference to the relevant depreciation policy (as detailed above).

Freehold property is included in the financial statements at fair value as at the balance sheet date. No depreciation is provided in respect of the freehold properties. This policy of non-depreciation, is, in the opinion of the trustees, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards as the properties are included in the financial statements at appropriate value. The properties will maintain a long useful economic life and high residual value through the policy of regular maintenance and repair (charges for which are recognised in the Statement of Financial Activities) such that the assets are kept to the previously assessed levels.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

#### **Fund accounting**

Unrestricted funds comprise of a general fund which can be used in accordance with the charitable objectives at the discretion of the trustees, and a revaluation fund which is realised and transferred to the general fund upon the sale of the revalued property or properties to which the fund relates.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. At the balance sheet date there were no restricted funds held by the charity.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### **Operating Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged as incurred.

# KINGSWAY CLC TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

### 1. ACCOUNTING POLICIES - continued

#### Pension costs and other post-retirement benefits

Employees of the charity may be entitled to join a defined contribution scheme. The costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the charity.

The plan is managed by The People's Pension Trustee Limited and invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for state pension. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

#### Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on property sales are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

#### Charitable activities

Costs of charitable activities include costs in connection with the sale of Bibles and Christian literature, governance costs and an apportionment of support costs as shown in note 7.

#### Trade and other creditors

Trade and other creditors are recognised in the accounts at fair value on the date of the transaction. Impairments are recognised in the Statement of Financial Activities in the reporting period.

#### Critical accounting estimates and judgements

In 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.

### 2. DONATIONS AND LEGACIES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Donations	83,749	11,900	82,425	10,405
Exceptional item (see note 11)	26,198	35,611	36,340	35,611
	<u>109,947</u>	<u>47,511</u>	<u>118,765</u>	<u>46,016</u>

### 3. INVESTMENT INCOME

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Rents and service charges received	67,081	81,106	67,081	81,106
Deposit account interest	1	4	-	-
	<u>67,082</u>	<u>81,110</u>	<u>67,081</u>	<u>81,106</u>



# KINGSWAY CLC TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

### 4. INCOME FROM CHARITABLE ACTIVITIES

		2022 £	2021 £
Wholesale sales	Sales of Bibles and Christian Literature	4,462,826	3,070,745
Mission worship conference	Sales of Bibles and Christian Literature	(4,719)	4,456
Online sales	Sales of Bibles and Christian Literature	1,116,840	1,087,869
Royalties income	Sales of Bibles and Christian Literature	3,710	5,210
		<u>5,578,657</u>	<u>4,168,280</u>

### 5. RAISING FUNDS

#### Raising donations and legacies

	2022 £	2021 £
Advertising	<u>49,100</u>	<u>29,978</u>

### 6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities £	Support costs (see note 7) £	Totals £
Sales of Bibles and Christian Literature	5,078,640	-	698,395	5,777,035
Direct grant support	-	1,018	-	1,018
	<u>5,078,640</u>	<u>1,018</u>	<u>698,395</u>	<u>5,778,053</u>

### 7. SUPPORT COSTS

The breakdown of support costs, included in the above, are as follows:

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Other support costs</b>	<b>Sales of Bibles and Christian Literature £</b>	<b>Sales of Bibles and Christian Literature £</b>
Rent, rates & utilities	56,435	29,987
Telephone	15,214	11,298
Repairs	26,590	13,703
Insurance	19,398	13,932
Cleaning	9,332	8,445
Travelling and motor expenses	20,928	7,439
Event costs	10,271	360
Advertising and promotion	63,685	27,377
Print and stationery	4,113	3,971
Subscriptions and donations	3,029	3,704
Credit card charges	6,277	7,068
Training costs	830	1,789
Bad and doubtful debts	9,630	-
Computer licencing & maintenance	70,687	49,924

# KINGSWAY CLC TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

### 7. SUPPORT COSTS - continued

	Year ended 31.03.2022	Year ended 31.03.2021
	Sales of Bibles and Christian Literature	Sales of Bibles and Christian Literature
<b>Other support costs</b>		
Equipment maintenance	5,304	3,455
Welfare expenses	6,580	3,158
International office field contribution	39,413	15,241
Bank charges	22,041	23,333
Sundry	7,335	1,831
Management recharge - CLC UK	-	(16,353)
Depreciation of tangible fixed assets	42,329	43,200
	<b>439,421</b>	<b>252,862</b>
	Year ended 31.03.2022	Year ended 31.03.2021
	Sales of Bibles and Christian Literature	Sales of Bibles and Christian Literature
<b>Governance costs</b>		
Gross salaries	231,503	209,752
Auditors' remuneration	17,240	19,250
Legal and professional fees	6,767	3,644
Conferences & trustee meetings	3,464	(497)
	<b>258,974</b>	<b>232,149</b>

### 8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	17,240	19,250
Depreciation - owned assets	42,329	43,201

### 9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

#### Trustees' expenses

Included within Trustees, conference and committee expenses are expenses claimed by trustees for travelling to trustees meetings of £319 (2021: £nil).

Mr W E Owen, trustee, made total loans of £30,000 to the charity in earlier years. These loans were interest free with no fixed repayment date. During the year, the loan was repaid in full.

# KINGSWAY CLC TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

### 10. STAFF COSTS

	2022 £	2021 £
Employment costs		
Wages and salaries	886,563	745,468
Social security costs	70,063	62,013
Other pension costs	23,163	21,025
	<u>979,789</u>	<u>828,506</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Full time and part time	<u>45</u>	<u>39</u>

No employees received emoluments in excess of £60,000.

### 11. EXCEPTIONAL ITEMS

In 2019 Kingsway CLC Trust merged operations with CLC International (UK), an unincorporated charity registered in England & Wales (no. 1015793) and Scotland (no. SCO37939). During this process CLC International (UK) transferred its wholesale and ecommerce divisions and the associated net assets including the warehouse and offices in Sandycroft, warehouse stock, trade debtors and creditors. 32 CLC employees were transferred to Kingsway under the TUPE arrangement. Included in exceptional items this year is £26,106 relating to the transfer of remaining stock.

Additionally, the assets of No Frontiers (Literature Outreach) Ltd, a charitable company registered in England & Wales, have been transferred to Kingsway CLC in 2022 and £10,234 is included in exceptional items in the parent charitable company, and is eliminated on consolidation.

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Total funds £
<b>INCOMING RESOURCES AND ENDOWMENTS</b>			
Donations and legacies	46,436	1,075	47,511
<b>Charitable activities</b>			
Sale of Christian Literature	4,168,280	-	4,168,280
Investment income	81,110	-	81,110
Other income	173,591	-	173,591
<b>Total incoming resources</b>	<u>4,469,417</u>	<u>1,075</u>	<u>4,470,492</u>
<b>RESOURCES EXPENDED</b>			
Raising funds	29,978	-	29,978

# KINGSWAY CLC TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

<b>Charitable activities</b>			
Sale of Bibles and Christian Literature	4,435,202	-	4,435,202
Direct grant support	-	1,101	1,101
<b>Total resources expended</b>	<b>4,465,180</b>	<b>1,101</b>	<b>4,466,281</b>

<b>NET INCOMING/(OUTGOING) RESOURCES</b>	<b>4,237</b>	<b>(26)</b>	<b>4,211</b>
--	--------------	-------------	--------------

### RECONCILIATION OF FUNDS

<b>Total funds brought forward</b>	<b>2,905,861</b>	<b>140</b>	<b>2,906,001</b>
------------------------------------	------------------	------------	------------------

<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>2,910,098</b>	<b>114</b>	<b>2,910,212</b>
------------------------------------	------------------	------------	------------------

### 13. TANGIBLE FIXED ASSETS – Group and Company

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 April 2021	1,407,176	253,299	22,706
Additions	-	4,720	1,209
At 31 March 2022	<u>1,407,176</u>	<u>258,019</u>	<u>23,915</u>
<b>DEPRECIATION</b>			
At 1 April 2021	-	18,599	14,638
Charge for year	-	14,479	1,646
At 31 March 2022	-	<u>33,078</u>	<u>16,284</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>1,407,176</u>	<u>224,941</u>	<u>7,631</u>
At 31 March 2021	<u>1,407,176</u>	<u>234,700</u>	<u>8,068</u>

# KINGSWAY CLC TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

### 13. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2021	113,366	30,185	1,826,732
Additions	<u>-</u>	<u>12,031</u>	<u>17,960</u>
At 31 March 2022	<u>113,366</u>	<u>42,216</u>	<u>1,844,692</u>
<b>DEPRECIATION</b>			
At 1 April 2021	29,264	19,903	82,404
Charge for year	<u>19,214</u>	<u>6,990</u>	<u>42,329</u>
At 31 March 2022	<u>48,478</u>	<u>26,893</u>	<u>124,733</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>64,888</u>	<u>15,323</u>	<u>1,719,959</u>
At 31 March 2021	<u>84,102</u>	<u>10,282</u>	<u>1,744,328</u>

The freehold property was valued in 2018 by the trustees of CLC International (UK) using market data to ensure that the carrying value was at fair value in accordance with FRS 102. Following the donation of the property to the charity on 1 August 2019 the trustees of both charities reviewed the carrying amount and concluded there was no material change in fair value since the last valuation.

### 14. FIXED ASSET INVESTMENTS

	Interest in group undertakings £
<b>MARKET VALUE</b>	
At 1 April 2021 and 31 March 2022	<u>2</u>
<b>NET BOOK VALUE</b>	
At 31 March 2022	<u>2</u>
At 31 March 2021	<u>2</u>

Amounts included in fixed asset investments, relate to 100% ownership of No Frontiers (Literature Outreach) Ltd, a charitable company registered in England & Wales that shares the same registered address as the Trust. No Frontiers (Literature Outreach) Ltd, is a charity that currently has share capital owned by the Trust. The charity is being dissolved post year-end.

**KINGSWAY CLC TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2022**

**15. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Stocks	<u>1,698,700</u>	<u>1,896,948</u>	<u>1,695,139</u>	<u>1,892,820</u>

During the period the trustees revalued wholesale slow-moving stock to net realisable value. Included in the accounts is an impairment provision totalling £141,000 (2021: £73,000).

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	539,502	367,613	539,502	367,635
Other Debtors & prepayments	37,216	11,689	47,248	11,689
VAT	<u>8,360</u>	<u>10,021</u>	<u>8,360</u>	<u>9,667</u>
	<u>585,078</u>	<u>389,323</u>	<u>595,110</u>	<u>388,991</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans (see note 19)	9,364	4,167	9,364	4,167
Other loans (see note 19)	205,000	30,000	205,000	30,000
Trade creditors	681,711	854,973	681,711	854,973
Social security and other taxes	16,019	15,672	16,019	15,672
Sundry creditors and accruals	<u>143,135</u>	<u>254,828</u>	<u>143,047</u>	<u>253,391</u>
	<u>1,055,229</u>	<u>1,159,640</u>	<u>1,055,141</u>	<u>1,158,203</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 19)	36,469	45,833
Other loans (see note 19)	<u>200,000</u>	<u>-</u>
	<u>236,469</u>	<u>45,833</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand:		
Bank loans	9,364	4,167
Other loans	<u>205,000</u>	<u>30,000</u>
	<u>214,364</u>	<u>34,167</u>

**KINGSWAY CLC TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022**

**19. LOANS - continued**

	2022 £	2021 £
Amounts falling between one and two years:		
Bank loans - 1-2 years	9,714	10,000
Other loans - 1-2 years	<u>200,000</u>	<u>-</u>
	<u>209,714</u>	<u>10,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>26,755</u>	<u>35,833</u>

**20. MOVEMENT IN FUNDS**

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
<b>Unrestricted funds</b>			
General fund	2,910,098	(57,738)	2,852,360
<b>Restricted funds</b>			
Justice and Mercy	<u>114</u>	<u>(114)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>2,910,212</u>	<u>(57,852)</u>	<u>2,852,360</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	5,768,397	(5,826,135)	(57,738)
<b>Restricted funds</b>			
Justice and Mercy	<u>904</u>	<u>(1,018)</u>	<u>(114)</u>
<b>TOTAL FUNDS</b>	<u>5,769,301</u>	<u>(5,827,153)</u>	<u>(57,852)</u>

**Comparatives for movement in funds**

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
<b>Unrestricted funds</b>			
General fund	2,905,861	4,237	2,910,098
<b>Restricted funds</b>			
Justice and Mercy	<u>140</u>	<u>(26)</u>	<u>114</u>
<b>TOTAL FUNDS</b>	<u>2,906,001</u>	<u>4,211</u>	<u>2,910,212</u>

## KINGSWAY CLC TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

#### 20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,469,417	(4,465,180)	4,237
<b>Restricted funds</b>			
Justice and Mercy	1,075	(1,101)	(26)
<b>TOTAL FUNDS</b>	<b>4,470,492</b>	<b>(4,466,281)</b>	<b>4,211</b>

#### 21. RELATED PARTY DISCLOSURES

CLC International (UK) is a related party due to mutual trustees. By an Asset Transfer Agreement on 1 August 2019, CLC transferred assets totalling £3,179,349 to Kingsway CLC Trust, a Charity Company limited by guarantee. During this process CLC transferred its wholesale and ecommerce divisions as well as its warehouse and offices in Sandycroft, warehouse stock, trade debtors and creditors. 32 CLC employees were transferred to Kingsway under the TUPE arrangement, with the remaining employees transferred in this year.

During 2022 there were no charges to CLC for management charges (2021: £16,353) and no goods were sold to them (2021: £44,160). As at 31 March 2022 £405,000 was owed to CLC International (UK) relating to a loan made during the year. This loan is interest free; the effective interest has not been provided for as this is deemed immaterial by the Trustees. Stock items to the value of £26,106 were donated to Kingsway as a result of the closure of the last remaining CLC shops and £29,526 was owed by CLC International (UK).

CLC International is a related party due to a mutual trustee. A Field Contribution of £39,414 (2021: £15,241) was paid to CLC International during the year.

Christian Focus Publications Limited is a related party due to mutual trustees. During the period purchases amounting to £87,995 (2021: £44,669) were made by Kingsway CLC Trust, with £7,697 (2021: £nil) outstanding at the year end.

The activities of Re-vived.com label are held in a separate account in the name of Re-vived.com Resources Ltd but are treated as activities of the Kingsway CLC Trust. Re-vived.com Resources Ltd is dormant, limited by guarantee and the trustees of Kingsway CLC Trust are the guarantors.

#### Key management personnel

Included in wages and salaries is the remuneration paid to key management personnel of the charity during the financial period with the total employment benefits including employer pension contributions being £231,503 (2021: £242,918). On 1 August 2019 all key CLC international (UK) personnel were transferred to Kingsway CLC Trust.