

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

KINGSWAY CLC TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

KINGSWAY CLC TRUST

CONTENTS OF THE FINANCIAL STATEMENTS for the year ended 31 March 2023

	Page
Reference and administrative details	1
Report of the trustees	2 to 4
Report of the independent auditors	5 to 7
Statement of financial activities	8
Balance sheet	9
Cash flow statement	10
Notes to the cash flow statement	11
Notes to the financial statements	12 to 22
Detailed statement of financial activities	23 to 24

KINGSWAY CLC TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 March 2023

TRUSTEES	G B Chamberlin (resigned 14.3.23) P V Dalton Mrs E Dowey W H M MacKenzie (resigned 13.9.23) W E Owen Mrs L M Owen J M Watkins H Y Lessous (appointed 14.3.23) S L Banner (appointed 13.9.23)
COMPANY SECRETARY	W E Owen
REGISTERED OFFICE	Unit 5 Glendale Avenue Sandycroft Industrial Estate Sandycroft Deeside CH5 2QP
REGISTERED COMPANY NUMBER	01093879 (England and Wales)
REGISTERED CHARITY NUMBER	265612
AUDITORS	Berringers LLP Lygon House 50 London Road Bromley Kent BR1 3RA

KINGSWAY CLC TRUST

REPORT OF THE TRUSTEES for the year ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. 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.

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.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The trustees are extremely disappointed by the financial result in the year. It does not reflect the hard and dedicated work of the executive team, the leadership team, and all staff and employees.

The result does not detract from the strategic growth since the merger of Kingsway Trust with CLC International UK in 2019 with sales of Bibles, Christian books, CD's, DVD's, and other Christian resources increasing in the year from £5,578,657 to £6,385,350, an increase of 14.5%. And an increase of £2,217,070, 53%, from year ending 31 March 2021, being the first full 12 months trading result following the merger.

The result this year was not helped by the implications of global factors that were prevalent in the previous financial year. It is hard to ignore the economic turmoil in the world coming out of difficulties and restrictions imposed to counter the coronavirus its spread and damage on public health, the economy, and businesses. This resulted with problems with our US freight forwarding agents, in lost, considerably delayed, and duplicated orders of products. This, and the fall in the value of the pound against the US dollar resulted in a significant part of our loss.

During the year, the trading activities of our stand-alone websites were integrated and consolidated into our main stock and sales order processing system to give us improved management controls and information reporting. Unfortunately, during this process, we experienced some rogue misleading reports which suggested incorrectly that our sales margins were on target.

In August 2022 we acquired the Aslan Christian Books Ltd website, magazine, and customer database rights, business assets, and stock of Christian products giving us the opportunity to communicate and service a different genre of the Christian marketplace. The cost being written off in our P&L.

During the year, the trustees carried out a full trustee board risk assessment and risk register for the whole operation, and this is being closely actioned, monitored, and updated.

After much investigation and several site visits in March 2023 a business plan was agreed to invest in our own Print on Demand facility (POD). This has meant reorganising our warehouse, constructing a mezzanine floor and a substantial POD room to house and acquire the associated printing and binding equipment.

KINGSWAY CLC TRUST

REPORT OF THE TRUSTEES for the year ended 31 March 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities (continued)

Production has recently begun and over the coming months, working closely with US and UK publishers, we will see reductions in imports and improved sales margins, and in time a significant reduction in stock holding and provisions for slow moving stock.

The trustees would like to place on record the tremendous encouragement and support received from CLC International UK since the 2019 merger of CLC and Kingsway Trust, and in this new POD venture as we seek to share the gospel message of hope, in our unique position of distributing Bibles, Christian books, music and resources, whilst remaining confident in our faith and in Jesus, our precious Saviour.

We remain faithful in seeking to advance the Christian faith through the production and distribution of Christian literature, in serving God desiring to see His purposes fulfilled.

Financial review

Financial position

The trust made a deficit on general activities for the period of £465,619, leaving general reserves at the year end of £2,386,739.

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.

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 Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

KINGSWAY CLC TRUST

REPORT OF THE TRUSTEES for the year ended 31 March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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.

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 14 DECEMBER 2023, 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 financial statements of Kingsway CLC Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 charitable company 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 charitable company'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 charitable company 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 charitable company'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. 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:14/12/23.....

KINGSWAY CLC TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2023**

		2023	2022
		Unrestricted	Total
		fund	funds
		£	£
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	43,251	118,765
Charitable activities	4		
Sales of Bibles and Christian Literature		6,385,350	5,578,657
Investment income	3	79,811	67,081
Other income		8,400	13,615
Total		<u>6,516,812</u>	<u>5,778,118</u>
 EXPENDITURE ON			
Raising funds	5	66,833	49,100
Charitable activities	6		
Sales of Bibles and Christian Literature		6,915,598	5,775,953
Total		<u>6,982,431</u>	<u>5,825,053</u>
 NET INCOME/(EXPENDITURE)		 (465,619)	 (46,935)
 RECONCILIATION OF FUNDS			
Total funds brought forward		2,852,358	2,899,293
 TOTAL FUNDS CARRIED FORWARD		 <u><u>2,386,739</u></u>	 <u><u>2,852,358</u></u>


The notes form part of these financial statements

KINGSWAY CLC TRUST

BALANCE SHEET
31 March 2023

	Notes	2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS			
Tangible assets	13	1,685,932	1,719,959
Investments	14	-	2
		<u>1,685,932</u>	<u>1,719,961</u>
CURRENT ASSETS			
Stocks	15	1,734,367	1,695,139
Debtors	16	687,653	595,110
Cash at bank and in hand		81,898	133,758
		<u>2,503,918</u>	<u>2,424,007</u>
CREDITORS			
Amounts falling due within one year	17	(1,276,642)	(1,055,141)
		<u>1,227,276</u>	<u>1,368,866</u>
NET CURRENT ASSETS			
		<u>1,227,276</u>	<u>1,368,866</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,913,208	3,088,827
CREDITORS			
Amounts falling due after more than one year	18	(526,469)	(236,469)
		<u>2,386,739</u>	<u>2,852,358</u>
NET ASSETS			
		<u>2,386,739</u>	<u>2,852,358</u>
FUNDS	20		
Unrestricted funds		2,386,739	2,852,358
TOTAL FUNDS		<u>2,386,739</u>	<u>2,852,358</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 14 December 2023 and were signed on its behalf by:


Trustee - W. E. OWEN

KINGSWAY CLC TRUST

CASH FLOW STATEMENT for the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(216,696)	(296,303)
Net cash used in operating activities		(216,696)	(296,303)
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,213)	(17,960)
Interest received		50	-
Net cash used in investing activities		(10,163)	(17,960)
Cash flows from financing activities			
New loans in year		185,000	405,000
Loan repayments in year		(10,001)	(34,167)
Net cash provided by financing activities		174,999	370,833
Change in cash and cash equivalents in the reporting period		(51,860)	56,570
Cash and cash equivalents at the beginning of the reporting period		133,758	77,188
Cash and cash equivalents at the end of the reporting period		81,898	133,758

The notes form part of these financial statements

KINGSWAY CLC TRUST

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 March 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of financial activities)	(465,619)	(46,935)
Adjustments for:		
Depreciation charges	44,241	42,329
Interest received	(50)	-
(Increase)/decrease in stocks	(39,228)	197,681
Increase in debtors	(92,543)	(206,119)
Increase/(decrease) in creditors	336,503	(283,259)
Net cash used in operations	<u>(216,696)</u>	<u>(296,303)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	133,758	(51,860)	81,898
	<u>133,758</u>	<u>(51,860)</u>	<u>81,898</u>
Debt			
Debts falling due within 1 year	(214,364)	115,000	(99,364)
Debts falling due after 1 year	(236,469)	(290,000)	(526,469)
	<u>(450,833)</u>	<u>(175,000)</u>	<u>(625,833)</u>
Total	<u>(317,075)</u>	<u>(226,860)</u>	<u>(543,935)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

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 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.

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. 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

1. ACCOUNTING POLICIES - continued

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.

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.

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2023

1. ACCOUNTING POLICIES - continued

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

	2023	2022
	£	£
Donations	43,251	82,425
Exceptional item (see note 11)	-	36,340
	<u>43,251</u>	<u>118,765</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	47,122	33,671
Service charges received	32,639	33,410
Interest receivable	50	-
	<u>79,811</u>	<u>67,081</u>

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Wholesale sales	Sales of Bibles and Christian Literature	5,025,661	4,462,826
Mission worship conference	Sales of Bibles and Christian Literature	9,469	(4,719)
Online sales	Sales of Bibles and Christian Literature	1,347,110	1,116,840
Royalties income	Sales of Bibles and Christian Literature	3,110	3,710
		<u>6,385,350</u>	<u>5,578,657</u>

5. RAISING FUNDS

Raising donations and legacies

	2023 £	2022 £
Advertising	<u>66,833</u>	<u>49,100</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Sales of Bibles and Christian Literature	<u>6,126,362</u>	<u>789,236</u>	<u>6,915,598</u>

7. SUPPORT COSTS

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

Other support costs

	Year ended 31.3.23 Sales of Bibles and Christian Literature £	Year ended 31.3.22 Sales of Bibles and Christian Literature £
Rent, rates & utilities	48,915	56,435
Telephone	10,945	15,214
Repairs	18,829	26,590
Insurance	21,114	19,398
Cleaning	10,839	9,332
Travel & motor expenses	34,694	20,928
Event costs	23,700	10,271
Advertising & promotion	113,147	63,685
Printing & stationery	6,931	4,113
Subscription and donations	6,882	3,029
Credit card charges	7,649	6,277
Training costs	843	830
Bad and doubtful debts	3,778	9,630
Computer licencing & maintenance	86,148	70,687
Equipment maintenance	8,744	5,304
Welfare expenses	8,858	6,580
International office field contribution	31,706	39,413
Bank charges	24,762	22,018
Sundry	8,857	7,335
Management recharges - CLC UK	(8,400)	-

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2023

7. SUPPORT COSTS - continued

Interest on CLC loan	5,212	-
Depreciation of tangible fixed assets	44,241	42,329
	<u>518,394</u>	<u>439,398</u>

Governance costs

	Year Ended 31.3.23 Sales of Bibles and Christian Literature £	Year Ended 31.3.22 Sales of Bibles and Christian Literature £
Salaries	229,564	231,503
Auditors' remuneration	16,300	15,500
Legal and professional fees	12,430	6,767
Conferences & trustee meetings	4,148	(3,464)
	<u>262,442</u>	<u>257,234</u>

8. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors' remuneration	16,300	15,500
Depreciation - owned assets	<u>44,240</u>	<u>42,329</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

Included within Trustees, conference and committee expenses are expenses claimed by trustees for travelling to trustees meetings of £170 (2022: £319).

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2023

10. STAFF COSTS

	2023 £	2022 £
Employment costs		
Wages and salaries	1,002,615	886,563
Social security costs	70,080	70,063
Other pension costs	22,810	23,163
	<u>1,095,505</u>	<u>979,789</u>

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

	2023 49	2022 45
Full time and part time	<u>49</u>	<u>45</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). 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 last year was £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, were transferred to Kingsway CLC in 2022 and £10,234 was included in exceptional items.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	118,765
Charitable activities	
Sales of Bibles and Christian Literature	5,578,657
Investment income	67,081
Other income	13,615
Total	<u>5,778,118</u>
EXPENDITURE ON	
Raising funds	49,100
Charitable activities	
Sales of Bibles and Christian Literature	5,775,953
Total	<u>5,825,053</u>
NET INCOME/(EXPENDITURE)	(46,935)

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
RECONCILIATION OF FUNDS	
Total funds brought forward	2,899,293
TOTAL FUNDS CARRIED FORWARD	<u><u>2,852,358</u></u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2022	1,407,176	258,019	23,915
Additions	-	-	3,263
At 31 March 2023	<u>1,407,176</u>	<u>258,019</u>	<u>27,178</u>
DEPRECIATION			
At 1 April 2022	-	33,078	16,284
Charge for year	-	14,479	2,110
At 31 March 2023	<u>-</u>	<u>47,557</u>	<u>18,394</u>
NET BOOK VALUE			
At 31 March 2023	<u>1,407,176</u>	<u>210,462</u>	<u>8,784</u>
At 31 March 2022	<u>1,407,176</u>	<u>224,941</u>	<u>7,631</u>
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2022	113,366	42,216	1,844,692
Additions	-	6,950	10,213
At 31 March 2023	<u>113,366</u>	<u>49,166</u>	<u>1,854,905</u>
DEPRECIATION			
At 1 April 2022	48,478	26,893	124,733
Charge for year	19,214	8,437	44,240
At 31 March 2023	<u>67,692</u>	<u>35,330</u>	<u>168,973</u>
NET BOOK VALUE			
At 31 March 2023	<u>45,674</u>	<u>13,836</u>	<u>1,685,932</u>
At 31 March 2022	<u>64,888</u>	<u>15,323</u>	<u>1,719,959</u>

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2023

13. TANGIBLE FIXED ASSETS - continued

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 under takings £
MARKET VALUE	
At 1 April 2022	2
Disposals	(2)
	<hr/>
At 31 March 2023	-
	<hr/>
NET BOOK VALUE	
At 31 March 2023	-
	<hr/>
At 31 March 2022	2
	<hr/>

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. During the year the charity was dissolved.

15. STOCKS

	2023 £	2022 £
Stocks	1,734,367	1,695,139
	<hr/>	<hr/>

During the period the trustees revalued wholesale slow-moving stock to net realisable value. Included in the accounts is a impairment provision totalling £188,800 (2022: £141,000).

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	617,822	539,502
Other debtors and prepayments	68,307	47,248
VAT	1,524	8,360
	<hr/>	<hr/>
	687,653	595,110
	<hr/>	<hr/>

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 19)	9,364	9,364
Other loans (see note 19)	90,000	205,000
Trade creditors	926,644	681,711
Social security and other taxes	20,535	16,019
Sundry creditors and accruals	230,099	143,047
	<u>1,276,642</u>	<u>1,055,141</u>

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

	2023	2022
	£	£
Bank loans (see note 19)	26,469	36,469
Other loans (see note 19)	500,000	200,000
	<u>526,469</u>	<u>236,469</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	9,364	9,364
Other loans	90,000	205,000
	<u>99,364</u>	<u>214,364</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	9,714	9,714
Other loans - 1-2 years	500,000	200,000
	<u>509,714</u>	<u>209,714</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	16,755	26,755
	<u>16,755</u>	<u>26,755</u>

20. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	2,852,358	(465,619)	2,386,739
	<u>2,852,358</u>	<u>(465,619)</u>	<u>2,386,739</u>
TOTAL FUNDS	<u>2,852,358</u>	<u>(465,619)</u>	<u>2,386,739</u>

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2023

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,516,812	(6,982,431)	(465,619)
TOTAL FUNDS	<u>6,516,812</u>	<u>(6,982,431)</u>	<u>(465,619)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	2,899,293	(46,935)	2,852,358
TOTAL FUNDS	<u>2,899,293</u>	<u>(46,935)</u>	<u>2,852,358</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,778,118	(5,825,053)	(46,935)
TOTAL FUNDS	<u>5,778,118</u>	<u>(5,825,053)</u>	<u>(46,935)</u>

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 2023 there were charges to CLC for management charges of £8,400 (2022: £nil) and no goods were sold to them (2022: £nil). As at 31 March 2023 £590,000 was owed to CLC International (UK), relating to a short term loan of £90,000, due within one month of the year end, and a long term loan of £500,000. Interest at 4% is accruing, with £5,212 charged for the year. £166 was owed by CLC International (UK).

CLC International is a related party due to a mutual trustee. A Field Contribution of £31,706 (2022: £39,414) was paid to CLC International during the year.

Christian Focus Publications Limited is a related party due to a mutual trustee. During the period purchases amounting to £93,722 (2022: £87,995) were made by Kingsway CLC Trust, with £13,549 (2022: £7,697) outstanding at the year end.

KINGSWAY CLC TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2023

21. RELATED PARTY DISCLOSURES - continued

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 £229,564 (2022: £231,503). On 1 August 2019 all key CLC international (UK) personnel were transferred to Kingsway CLC Trust.