

River Of Life Church

Reference and administrative information

Trustees	Mark Smith Helen Smith John Greenow (Resigned 31st January 2020) Duke Miller Yasmin Ocansey
Senior Pastor	Mark Smith
Charity number	SC019962
Independent Examiners	Carson & Trotter Chartered Accountants 123 Irish Street Dumfries DG1 2PE
Principal office address	The River of Life Christian Centre Dumfries Station Lovers Walk Dumfries DG1 1LU
Bankers	Bank of Scotland 91 High Street Dumfries DG1 2BN

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River Of Life Church

Trustees' report for the year ended 30th September 2019

The trustees present their report and the unaudited financial statements for the year ended 30th September 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" FRS102 in preparing the annual report and financial statements of the charity.

Objectives and activities

The purpose of the River Of Life Church is to establish the Kingdom of God as laid down in the Bible (Old and New Testaments). Alongside the church, the charity operates a Christian bookshop and coffee shop.

Achievements and performance

Our 30th anniversary celebrations continued into the late autumn of the year, concluding a wonderful celebration of thanksgiving for all that God has done through the work of the Church, in hundreds of people's lives. This year the Church continued to grow in numbers and in strength. The emphasis on meeting needs in our community developed, although we closed our CAP Debt Centre and Job Clubs due to a lack of demand for those services and the cost of the CAP franchise. We formed an arrangement with local Aldi stores, through third party agents, Neighbourly, to receive surplus food and distribute those items to people in need.

We continued to be positively involved with many aspects of the local community, through Dumfries High School, youth work, pastoral care, food provision and town centre regeneration.

We took on the role of 'convenor' of Dumfries Christian Network, which brings a wide range of Churches, Christian organisations and individuals together to arrange joint events and foster a spirit of togetherness.

We became involved with a new organisation, Dumfries Station Trust, which seeks to regenerate redundant railway and station buildings, bringing them back to use for community purposes.

A wide range of teams are going well: hosting, media, children/crèche, pastoral, practical and music/worship.

We began restructuring the charity as a SCIO (Scottish Charitable Incorporated Organisation), and the new entity has been registered. We plan to transition to the new SCIO during the next year.

In December 2018 we were offered the chance to purchase 12 Queensberry Street prior to it being placed at auction in London. With the amazing generosity of local individuals and the Goshen Trust, for gifts and loans, we successfully secured the property in February, which we had previously rented for more than 16 years. Repayments to the Goshen Trust are over 10 years; instead of rent, we're paying repayments to generate capital equity for the charity.

12 Queensberry Street is a valuable hub for the Church as well as housing Kings Coffee and Books. The facility has been used throughout the year for a range of Church events as well as providing a venue for other Churches, concerts and gatherings.

We erected a colourful "Umbrella Sky" installation across Queensberry Street in the autumn of 2019, to brighten up the area. It proved to be a huge success, hitting the headlines as a positive contribution to the town ethos.

The multicultural flavour of our charity continues to be a great strength and we have two employees through the Home Office visa sponsor licence we hold - one from Brazil and the other from the USA.

River Of Life Church

Trustees' report for the year ended 30th September 2019

Plans for future periods

Church - Further development of community outreach through the food project, schools work and a positive influence for regenerating the town. Seeking larger premises in which to meet for Sunday services and events, with the present building becoming too small for our growing congregation. We plan to express interest with Dumfries & Galloway Council for the Community Asset Transfer of the Loreburn Hall in Dumfries, following promising initial conversations.

Kings - Building on our strengths as a coffee shop which has endured the pressures on the town centre. Creating a more attractive and distinctive food offer, as well as maintaining our focus as a great place to be and enjoy top class artisan coffee.

Financial review

The Charity achieved a surplus of £14,044 for the year compared to a deficit of £10,205 the previous year. This has reduced the deficit on unrestricted funds from £37,615 to £23,571 to carry forward. Kings Christian Bookshop showed a deficit of £14,390, as opposed to £20,551 deficit in the previous year. The River of Life Church showed a surplus of £28,434, as opposed to a surplus of £12,836 in the previous year.

The charity currently has a deficit on unrestricted funds and the Trustees are aware of the need to address this. The charity has in place a large overdraft facility on each bank account, which goes some way to ensuring that the charity can meet liabilities as they fall due. Individuals with a close connection to the charity have also loaned money to assist with cashflow. The Charity as at 30th September 2019 was in the throes of changing its constitution to a Scottish Charitable Incorporated Organisation (SCIO) and upon this change it will be able to gain access to substantially more grant monies.

Reserves policy

The Trustees have adopted a policy whereby unrestricted funds are maintained at a level equivalent to between three to six months expenditure. In the event that the charity should suffer a significant drop in funding, this level of reserves would enable the charity to continue with its current activities whilst alternative sources of income are found. At 30th September 2019 the charity's unrestricted funds are in deficit and individuals with a close connection to the charity have loaned money to assist with cashflow. The Trustees hope to better address this situation in the coming year.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and financing of the charity and are satisfied that systems are in place to mitigate exposure to these risks. These systems are reviewed periodically to ensure that they still meet the needs of the charity.

Structure, governance and management

The River Of Life Church is a charitable unincorporated organisation set up in April 1992, and is governed by its constitution.

Recruitment and appointment

The trustees are always on the lookout for responsible people who can help the Church grow and provide a firm foundation for the governance of the charity. Decisions for recruitment lie with the existing trustees and suitable people would need to be held in high regard in the Christian community, of integrity and treasure the values we hold dear, in accordance with our Statement of Faith and sound biblical theology.

Volunteers

The Trustees are grateful for the unstinting efforts of volunteers who have assisted with the activities of the charity. The Trustees wish to thank all of those who have contributed to the charity and the members and attendees of the River Of Life Church for their strong commitment throughout the year.

River Of Life Church

Trustees' report for the year ended 30th September 2019

Reference and administrative details

The charity is overseen by the Trustees who are drawn from the body of Elders by the existing Trustees.

Trustees

The Trustees who served during the year are as stated below:

Mark Smith (Senior Pastor)

John Greenow

Helen Smith

Duke Miller

Yasmin Ocansey

Shiree Hyslop (Resigned 17 June 2019)

Charity number: SC019962

Principal Office Address: The River of Life Christian Centre, Dumfries Station, Lovers Walk, Dumfries, DG1 1LU

Trustees' responsibilities

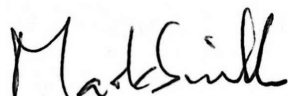
The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities 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 charity 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 charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 24th March 2021 and signed on their behalf by



Mark Smith
Senior Pastor and Trustee

River Of Life Church

Independent Examiner's Report to the Trustees of
River Of Life Church

I report to the charity trustees on the accounts of the charity for the year ended 30th September 2019 which are set out on pages 5 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

a. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

b. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached, except that which is outlined below.

Emphasis of matter - going concern

I have considered the adequacy of the disclosures made in note 19 to the accounts concerning the charity's ability to continue as a going concern. The charity achieved a surplus of £14,044 during the year ended 30th September 2019, which has reduced the deficit on unrestricted funds to £23,571. These conditions, along with the matters explained in note 19 to the accounts, indicate the existence of a material uncertainty which casts doubt over the charity's ability to continue as a going concern and is significant enough to warrant being highlighted in my report. The accounts do not include the adjustments that would result if the charity was unable to continue as a going concern.



Mrs G K Gray, BAcc, C.A.
Messrs Carson & Trotter
Chartered Accountants
123 Irish Street
Dumfries
DG1 2PE

Date: 30th March 2021

River Of Life Church

Statement of financial activities
for the year ended 30th September 2019

		2019	2018
		Total	Total
		Funds	Funds
		£	£
Income and endowments from:			
Donations and legacies	2	92,093	79,757
Charitable activities	3	2,746	6,849
Income from other trading activities	4	173,173	157,305
Investment income		2	1
Total income		<u>268,014</u>	<u>243,912</u>
Expenditure on:			
Raising funds	5	187,562	177,856
Charitable expenditure	6	66,408	76,261
Total expenditure		<u>253,970</u>	<u>254,117</u>
Net movement in funds		14,044	(10,205)
Reconciliation of funds			
Total funds brought forward		(37,615)	(27,410)
Total funds carried forward		<u>(23,571)</u>	<u>(37,615)</u>

All funds are unrestricted.

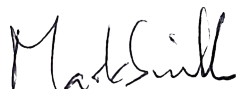
The notes on pages 7 to 14 form an integral part of these financial statements.

River Of Life Church

**Balance sheet
as at 30th September 2019**

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	9		164,983		1,757
Current assets					
Stocks	10	12,000		11,500	
Debtors	11	1,442		4,913	
Cash at bank and in hand		3,741		4,502	
		<u>17,183</u>		<u>20,915</u>	
Creditors: amounts falling due within one year	12	<u>(68,546)</u>		<u>(60,287)</u>	
Net current liabilities			<u>(51,363)</u>		<u>(39,372)</u>
Total assets less current liabilities			113,620		(37,615)
Creditors: amounts falling due after more than one year	13		(137,191)		-
Net liabilities			<u>(23,571)</u>		<u>(37,615)</u>
The funds of the charity					
Unrestricted funds			(23,571)		(37,615)
Total charity deficit	16		<u>(23,571)</u>		<u>(37,615)</u>

The financial statements were approved and authorised for issue by the Trustees on 24th March 2021 and signed on their behalf by:



Mark Smith
Senior Pastor and Trustee

The notes on pages 7 to 14 form an integral part of these financial statements.

River Of Life Church

Notes to the financial statements for the year ended 30th September 2019

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.1. General information and basis of preparation

River of Life Church is an unincorporated charity. The nature of the charities operations are included in the trustees report.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with 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 (FRS102) issued on 16th July 2014 (as updated through Update Bulletin 1 published on 2th February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity has applied Update Bulletin 1 as published on 2nd February 2016 and does not include a cash flow statement on the grounds that it is applying FRS102 Section 1A.

The financial statements are prepared on the going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

1.2. Income recognition

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amount and settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then the income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from Kings Coffee shop is included, exclusive of VAT, in the statement of financial activities on an accruals basis.

1.3. Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a constructive or legal obligation to make payment, it is probable that settlement will be required and the amount can be measured reliably.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes. Costs of raising funds include the running of Kings coffee and bookshop.

River Of Life Church

Notes to the financial statements for the year ended 30th September 2019

1.4. Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. The Trustees may set aside monies for specific future purposes in a designated fund. Designated funds form part of unrestricted funds.

Restricted funds - these are funds that can only be used for a particular restricted purpose within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.5. Tangible fixed assets and depreciation

The Trustees have adopted a policy whereby assets costing less than £100 will be charged as an expense in the statement of financial activities in the year in which they are purchased. All other assets are capitalised. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	1/2% Straight Line (Buildings only)
Tenants improvements	-	10% Straight Line
Fixtures, fittings and equipment	-	25% Straight Line

1.6. Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7. Stock

Stock is valued at the lower of cost and net realisable value.

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.9. Irrecoverable VAT

A proportion of the output VAT on cold carry outs from the coffee shop is deemed to be irrecoverable by HM Revenue & Customs. Following a VAT visit, HM Revenue and Customs have agreed that output VAT for each period should be calculated by deducting 10% of the total output VAT due.

2. Income from donations and legacies

	2019	2018
	£	£
Offerings	68,113	61,798
Gift aid	15,421	14,574
Other donations	8,559	3,385
	<u>92,093</u>	<u>79,757</u>

All income from donations and legacies in 2019 & 2018 was unrestricted.

River Of Life Church

Notes to the financial statements
for the year ended 30th September 2019

3. Income from charitable activities

	2019	2018
	£	£
Insurance compensation monies and other income	-	6,380
Colour conference	-	340
Sundry income	2,746	129
	<u>2,746</u>	<u>6,849</u>

All income from charitable activities in 2019 & 2018 was unrestricted.

4. Income from other trading activities

	2019	2018
	£	£
Kings Coffee shop	162,081	144,831
Kings Christian bookshop	7,384	7,197
Cinnamon Trust grant	-	2,000
VAT adjustment	3,708	3,277
	<u>173,173</u>	<u>157,305</u>

All income from trading activities in 2019 and 2018 was unrestricted.

River Of Life Church

Notes to the financial statements
for the year ended 30th September 2019

5. Raising funds - expenditure on other trading activities

	Total 2019 £	Total 2018 £
Kings cafe & bookshop		
Wages, salaries and staff costs	93,406	79,343
Pension costs	500	208
Staff conferences	356	-
Cost of sales	62,164	57,590
Rent and rates	6,805	21,818
Heat, light and power	4,474	4,001
Repairs and maintenance	9,481	5,204
Printing, stationery and advertising	508	1,504
Newspapers	925	832
Insurance	200	1,284
Telephone and postage	433	22
General expenses	1,917	1,755
Legal and professional	1,821	-
Travel and subsistence	-	82
Subscriptions	-	208
Bank interest and charges	2,253	2,825
Card processing charges	1,414	1,180
Depreciation	905	-
	<u>187,562</u>	<u>177,856</u>

Expenditure on raising funds in 2019 and 2018 was unrestricted.

River Of Life Church

Notes to the financial statements
for the year ended 30th September 2019

6. Expenditure on charitable activities

	Total 2019 £	Total 2018 £
Direct costs		
Wages, salaries and staff costs	21,799	21,187
Pastors' fees and expenses	26,004	26,064
Pension costs	225	118
Gifts and donations	704	816
CAP membership	436	2,452
PA expenses	-	50
Rent and rates	-	275
Heat, light and power	1,669	1,093
Repairs and maintenance	1,527	12,288
Printing, stationery and advertising	2,693	1,212
Depreciation	1,027	1,270
	<hr/>	<hr/>
	56,084	66,825
 Support and governance costs		
Hospitality - accommodation, food and recreation	-	249
Insurance	2,265	1,093
Computer costs	294	504
Telephone and postage	934	1,073
Entertaining	597	1,348
General expenses	1,624	1,015
Travel and subsistence	244	1,811
Independent examiners fees	-	1,218
Bank interest and charges	685	717
Loan interest	2,580	-
Subscriptions	1,101	408
	<hr/>	<hr/>
	10,324	9,436
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	66,408	76,261

Expenditure on charitable activities in 2019 and 2018 was unrestricted.

River Of Life Church

Notes to the financial statements
for the year ended 30th September 2019

7. Employees

Number of employees	2019	2018
The average monthly numbers of employees (excluding unsalaried trustees) during the year were:	Number	Number
	12	13
	<u> </u>	<u> </u>

The Pastor and his wife, both trustees, received fees and expenses totalling £26,004 for the year; this amount is not included within wages and salaries. No other trustees receive remuneration for their services, or were reimbursed for expenses during the year. A contract for services provided by the Pastor and his wife was put in place when River of Life Church was set up, the contract was reviewed and increased appropriately in the year to 30th September 2012.

Employment costs	2019	2018
	£	£
Wages and salaries	115,205	100,530
Other pension costs	725	326
	<u>115,930</u>	<u>100,856</u>

There are no high paid staff.

8. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £725 (2018 - £326).

9. Tangible fixed assets	Land and buildings freehold	Tenants improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1st October 2018	-	52,636	49,268	101,904
Additions	163,708	-	1,450	165,158
At 30th September 2019	<u>163,708</u>	<u>52,636</u>	<u>50,718</u>	<u>267,062</u>
Depreciation				
At 1st October 2018	-	51,609	48,538	100,147
Charge for the year	300	1,027	605	1,932
At 30th September 2019	<u>300</u>	<u>52,636</u>	<u>49,143</u>	<u>102,079</u>
Net book values				
At 30th September 2019	<u>163,408</u>	<u>-</u>	<u>1,575</u>	<u>164,983</u>
At 30th September 2018	<u>-</u>	<u>1,027</u>	<u>730</u>	<u>1,757</u>

River Of Life Church

Notes to the financial statements
for the year ended 30th September 2019

10. Stocks	2019	2018
	£	£
Goods for resale	12,000	11,500
	<u>12,000</u>	<u>11,500</u>
11. Debtors: all receivable within one year	2019	2018
	£	£
Trade debtors	407	119
Other debtors	1,035	4,794
	<u>1,442</u>	<u>4,913</u>
12. Creditors: amounts falling due within one year	2019	2018
	£	£
Bank overdraft	14,190	12,770
Goshen Trust Loan	11,983	-
Trade creditors	27,592	35,771
Other taxes and social security costs	7,905	7,681
Other creditors	5,676	2,865
Accruals and deferred income	1,200	1,200
	<u>68,546</u>	<u>60,287</u>
Letters of Guarantee have been provided by Mark and Helen Smith, Trustees, to the Bank of Scotland as security against the bank overdraft.		
13. Creditors: amounts falling due after more than one year	2019	2018
	£	£
Goshen Trust Loan	122,191	-
Speddoch Estate Loan	10,000	-
Mark and Helen Smith Loan	5,000	-
	<u>137,191</u>	<u>-</u>

River Of Life Church

Notes to the financial statements
for the year ended 30th September 2019

14. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than one year	-	15,000
Later than one and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>15,000</u>

15. Analysis of net assets in funds

	Tangible fixed assets	Net assets/ (liabilities)	Total
	£	£	£
Unrestricted funds	164,983	(188,554)	(23,571)
Total funds	<u>164,983</u>	<u>(188,554)</u>	<u>(23,571)</u>

16. Movement in funds

	At 1st October 2018	Income	Expenditure	At 30th September 2019
	£	£	£	£
Funds				
Unrestricted funds	<u>(37,615)</u>	<u>268,014</u>	<u>(253,970)</u>	<u>(23,571)</u>

17. Related party transactions

During the year, a total of £26,004 was paid to Mark Smith, a trustee, in respect of his fees as Pastor and expenses for himself and his wife, Helen Smith, also a trustee.

During the year Mark and Helen Smith made a loan to the charity of £5,000 and this was outstanding at the year end (2018: NIL).

During the year a total of £4,030 (2018: £12,034) was donated to the charity by the Trustees.

18. Controlling interest

The charity is under the control of the trustees.

19. Going concern

The continuing operation of the River Of Life Church is reliant on income from donations and offerings, the support of the Trustees and the bank and also the success of the Kings Bookshop and Coffee Shop. The charity has a funding deficit of £23,571 at the year end. The Church recorded a surplus for the year and the Trustees are confident that the bookshop and coffee shop will return to a surplus position and that the deficits incurred in previous years will be recovered. Accordingly the accounts have been prepared on the going concern basis.