**REGISTERED CHARITY NUMBER: 504644** 

REPORT OF THE TRUSTEES AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 FOR HEATH CHRISTIAN BOOKSHOP

Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report with the financial statements of the charity for the year ended 31 December 2019. 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**

The object of the charity is to advance the Christian religion by selling Christian literature, cards, recordings and other related goods.

# Public benefit

The trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. Significant activities that we undertook during the year that demonstrate public benefit are set out below.

# Review of activities and achievements

The trust has operated from its premises at 122 Whitchurch Road throughout the year under review, where the premises provided excellent facilities for activities to further its objects by the promotion of Christian literature. The premises were open to the public daily apart from on public holidays and Sundays.

Throughout the year the trust provided:

- access to comfortable seating in adjacent premises for reading;
- access to certain free Christian literature:
- bookstalls as requested off the premises;
- facilities for hosting new book launches and other events such as book reviews of Christian literature;
- support for the promotion of Christian literature by hosting and supplying a monthly book reading group; and
- provision of discounted stock for public purchase during Christian holiday periods.

The trust operated a website which was used to promote Christian literature and recordings; it also served as a medium for contacting the bookshop.

#### Covid 19 impact

The measures taken by the bookshop to handle the Covid 19 pandemic have resulted in a high level of disruption which has had a significant impact on the work and day to day activities. In line with government advice, the bookshop was closed at the start of lockdown and has remained closed throughout this period. This has resulted in the removal of our main income stream, bookshop sales. The impact has been offset to some extent by taking advantage of the government furlough scheme for our sole employee.

With the support of our many valid customers, we are confident that with close monitoring of income and costs along with the level of free reserves held, looking ahead we will be able to continue to deliver our charitable activities.

# FINANCIAL REVIEW

The total funds of the charity at 31 December 2019 were £60,469 all of which were unrestricted, of which £1,766 is made up of tangible fixed assets leaving £58,703 as the total free reserves of the charity.

The object of the charity is to have sufficient reserves to finance its stock and fixed assets and sufficient cash to avoid the need for bank or other borrowings.

The current level of reserves is regarded as satisfactory.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

# STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The trust was established on 22 September 1975 under a trust deed and is a registered charity no. 504644.

The trustees, including all those who served during the year, are set out below. Trustees are appointed by the existing body of trustees.

When the trustees meet, decisions are taken on a majority basis. A quorum of three trustees is required in meetings.

# Relationship to Heath Evangelical Church

The charity was originally set up by members of Heath Evangelical Church, Cardiff and this church has supported the charity financially since then.

So far as possible the Pastor of the church shall be a trustee of the charity.

# REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number 504644

#### Principal address

122 Whitchurch Road Heath Cardiff **CF14 3LZ** 

#### **Trustees**

N J Hunt G H Roberts T D Rucinski P R Willis A Piroozi (previously A Lee) Rev AW Hughes

# Independent examiner

Watts Gregory LLP Chartered Accountants Elfed House Oak Tree Court Cardiff Gate Business Park **CARDIFF** County of Cardiff **CF23 8RS** 

#### Senior staff

Mr R Hate

# **Bankers**

Natwest Bank 207 Richmond Road Roath Cardiff **CF24 3UX** 

Approved by order of the Board of Trustees on  $\frac{22}{9} \frac{9}{2020}$  and signed on its behalf by:

Mr N J Hunt - Trustee

# INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HEATH CHRISTIAN BOOKSHOP

# Independent examiner's report to the trustees of Heath Christian Bookshop

I report to the charity trustees on my examination of the accounts of the Heath Christian Bookshop (the Trust) for the year ended 31 December 2019.

# Responsibilities and basis of report

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

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

# Independent examiner's statement

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

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

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

Julia Mortimer FCCA
Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

24 September 2020

# STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

INCOME AND ENDOWMENTS FROM Donations and legacies Charitable activities Sale of Christian literature Other income Total	Notes	Jnrestricted fund £  1,129  54,169  102  55,400	Restricted fund £ 9,000	2019 Total funds £ 10,129 54,169 	2018 Total funds £ 10,063 58,149 5 68,217
EXPENDITURE ON Charitable activities Sale of Christian literature NET INCOME	3	<u>54,566</u> 834	9,000	<u>63,566</u> 834	67,854 363
RECONCILIATION OF FUNDS					
Total funds brought forward		59,635	<u>-</u>	59,635	59,272
TOTAL FUNDS CARRIED FORWARD		60,469	-	60,469	59,635

The notes form part of these financial statements

# BALANCE SHEET AT 31 DECEMBER 2019

FIXED ASSETS Tangible assets	Notes 8	Unrestricted fund £	Restricted fund £	2019 Total funds £ 1,766	2018 Total funds £ 2,208
	U	1,700	<del>-</del>	1,700	2,200
CURRENT ASSETS Stocks Debtors Cash at bank and in hand	9 10	27,334 1,594 <u>35,611</u> 64,539	- - 	27,334 1,594 <u>35,611</u> 64,539	27,068 742 35,414 63,224
CREDITORS Amounts falling due within one year	11	(5,836)	-	(5,836)	(5,797)
NET CURRENT ASSETS		58,703		58,703	57,427
TOTAL ASSETS LESS CURRENT LIABILITIE	s	60,469	-	60,469	59,635
NET ASSETS		60,469	-	60,469	59,635
FUNDS Unrestricted funds Restricted funds	12			60,469 	59,635 
TOTAL FUNDS				60,469	59,635

Mr N J Hunt -Trustee

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. STATUTORY INFORMATION

Heath Christian Bookshop is an unincorporated charity in Wales within the United Kingdom. The principal address is 122 Whitchurch Road, Heath, Cardiff, CF14 3LZ.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to advance the Christian religion by selling Christian literature, cards, recordings and other related goods.

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.

# 2. ACCOUNTING POLICIES

# Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent to provide a 'true and fair' view. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Heath Christian Bookshop meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

# Going concern

The trustees are satisfied that despite the Coronavirus pandemic, it is appropriate for the charities financial statements to be prepared on a going concern basis. The pandemic has resulted in a number of uncertainties arising and the trustees have taken steps to minimise the effect on the charity and will continue to do so. In the circumstances they have concluded that no adjustments or additional disclosures are required to the financial statements at this time.

# Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

# Donations and legacies income

Donations and legacies income includes donations and gifts that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

# Income from charitable activities

Income from charitable activities includes income received from Bookshop sales. This income is recognised at the point of sale.

#### Investment income

Investment income is recognised on a receivable basis.

It is not the policy of the charity to show incoming resources net of expenditure.

# NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

# 2. ACCOUNTING POLICIES - continued

#### 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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity.

#### Tangible fixed assets

Fixed assets are capitalised at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Fixtures, fittings and equipment

- 20% reducing balance

#### **Stocks**

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

# **Taxation**

The charity is exempt from tax on its charitable activities.

#### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### **Debtors**

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

# Pension costs and other post-retirement benefits

The charitable company makes contributions to personal pension schemes on behalf of its employees. Contributions are charged to the Statement of Financial Activities in the period to which they relate.

# Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

# NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

3.	CHARITABLE ACTIVITIES COST	S				
				Direct costs	Support costs (See note 4)	Totals
	Sale of Christian literature			£	£	£
	Sale of Christian literature			59,978	<u>3,588</u>	63,566
4.	SUPPORT COSTS					
		Finance	Depreciation	Other costs	Governance costs	Totals
		£	£	£	£	£
	Sale of Christian literature	<u>482</u>	<u>442</u>	<u>1,714</u>	<u>950</u>	3,588
	Included within support costs are fe	ees payable	to the independer	nt examiner of £	950 (2018: £950).	
5.	TRUSTEES' REMUNERATION AN	ID BENEFIT	rs			
	There were no trustees' remunera ended 31 December 2018.	tion or othe	r benefits for the	year ended 31	December 2019 o	or for the year
	Trustees' expenses					
	There were no trustees' expense December 2018.	s paid for	the year ended	31 December	2019 or for the ye	ear ended 31
6.	STAFF COSTS					
<b>u</b> .	31AFF CU313					
<b>U</b> .	SIAFF COSIS				2019	2018
<b>u.</b>					£	£
<b>0.</b>	Wages and salaries Other pension costs					
0.	Wages and salaries				£ 23,168	£ 23,110
0.	Wages and salaries				£ 23,168 	£ 23,110 1,156
U.	Wages and salaries	nployees dui	ring the year was	as follows:	£ 23,168 	£ 23,110 1,156
U.	Wages and salaries Other pension costs  The average monthly number of em	nployees dui	ring the year was	as follows:	£ 23,168 	£ 23,110 1,156 24,266
U.	Wages and salaries Other pension costs	nployees dui	ring the year was	as follows:	£ 23,168 1,181 24,349	£ 23,110 1,156 24,266
U.	Wages and salaries Other pension costs  The average monthly number of em			as follows:	£ 23,168 1,181 24,349	£ 23,110 1,156 24,266
7.	Wages and salaries Other pension costs  The average monthly number of em Total	s in excess	of £60,000.		£ 23,168 1,181 24,349	£ 23,110 1,156 24,266
	Wages and salaries Other pension costs  The average monthly number of em Total  No employees received emolument	s in excess	of £60,000.	IVITIES Unrestricted	£ 23,168 1,181 24,349  2019 1	£ 23,110 1,156 24,266 2018 1
	Wages and salaries Other pension costs  The average monthly number of em Total  No employees received emolument COMPARATIVES FOR THE STAT	s in excess EMENT OF	of £60,000.	IVITIES	£ 23,168 1,181 24,349 2019 1	£ 23,110 1,156 24,266 2018 1
	Wages and salaries Other pension costs  The average monthly number of em Total  No employees received emolument COMPARATIVES FOR THE STAT  INCOME AND ENDOWMENTS FR Donations and legacies	s in excess EMENT OF	of £60,000.	IVITIES  Unrestricted fund	£ 23,168 1,181 24,349  2019 1  Restricted fund	£ 23,110 1,156 24,266  2018 1  Total funds
	Wages and salaries Other pension costs  The average monthly number of em Total  No employees received emolument COMPARATIVES FOR THE STAT  INCOME AND ENDOWMENTS FR Donations and legacies Charitable activities	s in excess EMENT OF	of £60,000.	Unrestricted fund £	£ 23,168 1,181 24,349  2019 1  Restricted fund £	£ 23,110 1,156 24,266  2018 1  Total funds £ 10,063
	Wages and salaries Other pension costs  The average monthly number of em Total  No employees received emolument COMPARATIVES FOR THE STAT  INCOME AND ENDOWMENTS FR Donations and legacies Charitable activities Sale of Christian literature	s in excess EMENT OF	of £60,000.	Unrestricted fund £ 1,063 58,149	£ 23,168 1,181 24,349  2019 1  Restricted fund £	£ 23,110 1,156 24,266  2018 1  Total funds £ 10,063 58,149
	Wages and salaries Other pension costs  The average monthly number of em Total  No employees received emolument COMPARATIVES FOR THE STAT  INCOME AND ENDOWMENTS FR Donations and legacies Charitable activities	s in excess EMENT OF	of £60,000.	Unrestricted fund £	£ 23,168 1,181 24,349  2019 1  Restricted fund £	£ 23,110 1,156 24,266  2018 1  Total funds £ 10,063

# NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

7.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL AC	TIVITIES - contin	wod	
		Unrestricted fund	Restricted fund	Total funds
		£	£	£
	EXPENDITURE ON Charitable activities			
	Sale of Christian literature	58,854	9,000	67,854
	Total	58,854	9,000	67,854
	NET INCOME	363	-	363
	RECONCILIATION OF FUNDS			
	Total funds brought forward	59,272	-	59,272
	TOTAL FUNDS CARRIED FORWARD	59,635		59,635
8.	TANGIBLE FIXED ASSETS			Fixtures and fittings
	COST At 1 January 2019 and 31 December 2019			£ 33,950
	DEPRECIATION At 1 January 2019 Charge for year			31,742 442
	At 31 December 2019			32,184
	NET BOOK VALUE At 31 December 2019			1,766
	At 31 December 2018			2,208
9.	STOCKS			
	Stocks		2019 £ 27,334	2018 £ 27,068
10.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	<b>-</b> 1 4 4 4		2019 £	2018 £
	Trade debtors Other debtors		1,186 <u>408</u>	342 
			<u>1,594</u>	<u>742</u>

# NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

11.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	Trade creditors Taxation and social security Other creditors		2019 £ 2,373 505 2,958	2018 £ 2,340 678 2,779
12.	MOVEMENT IN FUNDS		<u>5,836</u>	5,797
	Unrestricted funds	At 1/1/19 £	Net movement in funds	At 31/12/19 £
	General fund	59,635	834	60,469
	TOTAL FUNDS	59,635	834	60,469
	Net movement in funds, included in the above are as follows:	Incoming resources	Resources expended £	Movement in funds
	Unrestricted funds General fund	55,400	(54,566)	834
	Restricted funds Salary fund	9,000	(9,000)	-
	TOTAL FUNDS	64,400	<u>(63,566)</u>	834
	Comparatives for movement in funds			
		At 1/1/18 £	Net movement in funds £	At 31/12/18 £
	Unrestricted Funds General fund	59,272	363	59,635
	TOTAL FUNDS	59,272	<u>363</u>	59,635
	Comparative net movement in funds, included in the above are as follows:			
		Incoming resources £	Resources expended £	Movement in funds
	Unrestricted funds General fund	59,217	(58,854)	363
	Restricted funds Salary fund	9,000	(9,000)	-
	TOTAL FUNDS	68,217	<u>(67,854</u> )	363

# NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

# 12. MOVEMENT IN FUNDS - continued

# Salary fund

During the year, the charity received restricted donations from the Heath Evangelical Church amounting to £9,000 to assist in the payment of salaries and other costs.

# 13. PENSION COMMITMENTS

During the year ended 31 December 2019 the charity made contributions totalling £1,181 (2018: £1,156) to its employee's pension plan. There were no outstanding contributions payable at the year end.

#### 14. RELATED PARTY DISCLOSURES

The charity is connected with the Heath Evangelical Church in that it has trustees in common. The charity received gifts from Heath Evangelical Church in the sum of £9,000 (2018: £9,000) during the year to assist in the payment of salaries and other costs.

The total key management personnel remuneration benefits paid during the year was £24,800 (2018: £24,266).