

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2016
FOR
HEATH CHRISTIAN BOOKSHOP

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

HEATH CHRISTIAN BOOKSHOP

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FOR THE YEAR ENDED 31 DECEMBER 2016

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HEATH CHRISTIAN BOOKSHOP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees present their report with the financial statements of the charity for the year ended 31 December 2016. 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 2015).

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;
- 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.

FINANCIAL REVIEW

The total funds of the charity at the year end were £56,625 all of which were unrestricted, of which £3,450 is made up of tangible fixed assets leaving £53,175 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.

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 on page 1 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

HEATH CHRISTIAN BOOKSHOP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Principal address

122 Whitchurch Road
Heath
Cardiff
CF14 3LZ

Trustees

N J Hunt
G H Roberts
T D Rucinski
P R Willis
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

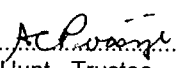
Senior staff

Mr R Hate

Bankers

Natwest Bank
207 Richmond Road
Roath
Cardiff
CF24 3UX

Approved by order of the Board of Trustees on 27.6.17 and signed on its behalf by:


.....
N J Hunt - Trustee

PP

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

I report on the accounts for the year ended 31 December 2016 set out on pages four to eleven.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

It is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. 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 seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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

Date: 15 July 2017

HEATH CHRISTIAN BOOKSHOP

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted fund £	Restricted fund £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		1,992	9,000	10,992	10,153
Charitable activities					
Sale of Christian literature		57,052	-	57,052	58,283
Investment income	3	3	-	3	3
Other income		<u>7,041</u>	<u>-</u>	<u>7,041</u>	<u>-</u>
Total		66,088	9,000	75,088	68,439
EXPENDITURE ON					
Charitable activities	4				
Sale of Christian literature		<u>57,911</u>	<u>9,000</u>	<u>66,911</u>	<u>64,005</u>
NET INCOME		8,177	-	8,177	4,434
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>48,448</u>	<u>-</u>	<u>48,448</u>	<u>44,014</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>56,625</u></u>	<u><u>-</u></u>	<u><u>56,625</u></u>	<u><u>48,448</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

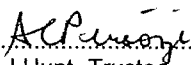
The notes form part of these financial statements

HEATH CHRISTIAN BOOKSHOP

BALANCE SHEET
AT 31 DECEMBER 2016

	Notes	Unrestricted fund £	Restricted fund £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	9	3,450	-	3,450	4,312
CURRENT ASSETS					
Stocks	10	26,552	-	26,552	26,868
Debtors	11	1,101	-	1,101	1,033
Cash at bank and in hand		<u>30,929</u>	-	<u>30,929</u>	<u>20,384</u>
		58,582	-	58,582	48,285
CREDITORS					
Amounts falling due within one year	12	(5,407)	-	(5,407)	(4,149)
NET CURRENT ASSETS		<u>53,175</u>	-	<u>53,175</u>	<u>44,136</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>56,625</u>	-	<u>56,625</u>	<u>48,448</u>
NET ASSETS		<u>56,625</u>	-	<u>56,625</u>	<u>48,448</u>
FUNDS					
Unrestricted funds	13			56,625	48,448
Restricted funds				-	-
TOTAL FUNDS				<u>56,625</u>	<u>48,448</u>

The financial statements were approved by the Board of Trustees on 27/6/17 and were signed on its behalf by:


.....
N J Hunt -Trustee

The notes form part of these financial statements

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 2015)', 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.

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).

First-time adoption of FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 S1A Update Bulletin 1 and the Charities SORP FRS 102 the restatement of comparative items was required.

As a result of the transition to FRS 102 there have been no changes in accounting policies to those used previously. There have also been no adjustments to the opening position at 1 January 2015 nor the closing position at 31 December 2015.

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 under contract from Bookshop sales. This income is recognised as the related service is provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service to which it relates.

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.

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
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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.

3. INVESTMENT INCOME

	2016	2015
	£	£
Deposit account interest	<u>3</u>	<u>3</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 5)	Totals
	£	£	£
Sale of Christian literature	<u>63,144</u>	<u>3,767</u>	<u>66,911</u>

5. SUPPORT COSTS

	Finance	Depreciation	Other costs	Governance costs	Totals
	£	£	£	£	£
Sale of Christian literature	<u>470</u>	<u>862</u>	<u>1,660</u>	<u>775</u>	<u>3,767</u>

Included within support costs are fees payable to the independent examiner of £750 (2015: £750) in respect of the independent examination and £nil (2015: £841) in respect of other services.

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 or for the year ended 31 December 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2016 or for the year ended 31 December 2015.

7. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	22,535	22,525
Social security costs	-	59
Other pension costs	<u>1,104</u>	<u>1,104</u>
	<u>23,639</u>	<u>23,688</u>

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

	2016	2015
Total	<u>1</u>	<u>1</u>

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

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2015 Unrestricted fund £	2015 Restricted fund £	2015 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,153	9,000	10,153
Charitable activities			
Sale of Christian literature	58,283	-	58,283
Investment income	<u>3</u>	<u>-</u>	<u>3</u>
Total	59,439	9,000	68,439
EXPENDITURE ON			
Charitable activities			
Sale of Christian literature	<u>55,005</u>	<u>9,000</u>	<u>64,005</u>
Total	55,005	9,000	64,005
NET INCOME	4,434	-	4,434
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>44,014</u>	<u>-</u>	<u>44,014</u>
TOTAL FUNDS CARRIED FORWARD	<u>48,448</u>	<u>-</u>	<u>48,448</u>

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2016 and 31 December 2016	<u>33,950</u>
DEPRECIATION	
At 1 January 2016	29,638
Charge for year	<u>862</u>
At 31 December 2016	<u>30,500</u>
NET BOOK VALUE	
At 31 December 2016	<u>3,450</u>
At 31 December 2015	<u>4,312</u>

10. STOCKS

	2016 £	2015 £
Stocks	<u>26,552</u>	<u>26,868</u>

The cost of stocks recognised as an expense by the charity during the year amounted to £35,361 (2015: £32,008).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	653	701
Other debtors	<u>448</u>	<u>332</u>
	<u>1,101</u>	<u>1,033</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	3,881	2,624
Taxation and social security	325	333
Other creditors	<u>1,201</u>	<u>1,192</u>
	<u>5,407</u>	<u>4,149</u>

13. MOVEMENT IN FUNDS

	At 1/1/16	Net movement	At 31/12/16
	£	in funds	£
		£	
Unrestricted funds			
General fund	48,448	8,177	56,625
	<u>48,448</u>	<u>8,177</u>	<u>56,625</u>

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

	Incoming	Resources	Movement in
	resources	expended	funds
	£	£	£
Unrestricted funds			
General fund	66,088	(57,911)	8,177
Restricted funds			
Salary fund	9,000	(9,000)	-
	<u>75,088</u>	<u>(66,911)</u>	<u>8,177</u>

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.

14. PENSION COMMITMENTS

During the year ended 31 December 2016 the charity made contributions totalling £1,104 (2015: £1,104) to its employee's pension plan. There were no outstanding contributions payable at the year end.

15. 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 (2015: £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 £23,639 (2015: £23,688).

16. ULTIMATE CONTROLLING PARTY

The charity is under the control of the trustees with no one party having ultimate control.