

REGISTERED CHARITY NUMBER: 504644

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2017
FOR
HEATH CHRISTIAN BOOKSHOP**

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

HEATH CHRISTIAN BOOKSHOP

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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HEATH CHRISTIAN BOOKSHOP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report with the financial statements of the charity for the year ended 31 December 2017. 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; 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.

FINANCIAL REVIEW

The total funds of the charity at the year end were £59,272 all of which were unrestricted, of which £2,760 is made up of tangible fixed assets leaving £56,512 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.

HEATH CHRISTIAN BOOKSHOP

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 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 *20 July 2018* and signed on its behalf by:

N. J. Hunt
.....
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 2017.

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
2. 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 confirm that there are no other matters to which your attention should be drawn 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: 30 July 2018

HEATH CHRISTIAN BOOKSHOP

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017**

		Unrestricted fund £	Restricted fund £	Total 2017 funds £	Total 2016 funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies		1,268	9,000	10,268	10,992
Charitable activities					
Sale of Christian literature		60,819	-	60,819	57,052
Investment income	3	-	-	-	3
Other income		<u>67</u>	<u>-</u>	<u>67</u>	<u>7,041</u>
Total		62,154	9,000	71,154	75,088
EXPENDITURE ON					
Charitable activities					
Sale of Christian literature	4	<u>59,507</u>	<u>9,000</u>	<u>68,507</u>	<u>66,911</u>
NET INCOME		2,647	-	2,647	8,177
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>56,625</u>	<u>-</u>	<u>56,625</u>	<u>48,448</u>
TOTAL FUNDS CARRIED FORWARD		<u>59,272</u>	<u>-</u>	<u>59,272</u>	<u>56,625</u>

The notes form part of these financial statements

HEATH CHRISTIAN BOOKSHOP

**BALANCE SHEET
AT 31 DECEMBER 2017**

	Notes	Unrestricted fund £	Restricted fund £	Total 2017 funds £	Total 2016 funds £
FIXED ASSETS					
Tangible assets	9	2,760	-	2,760	3,450
CURRENT ASSETS					
Stocks	10	27,085	-	27,085	26,552
Debtors	11	1,576	-	1,576	1,101
Cash at bank and in hand		<u>32,165</u>	<u>-</u>	<u>32,165</u>	<u>30,929</u>
		60,826	-	60,826	58,582
CREDITORS					
Amounts falling due within one year	12	<u>(4,314)</u>	<u>-</u>	<u>(4,314)</u>	<u>(5,407)</u>
NET CURRENT ASSETS		<u>56,512</u>	<u>-</u>	<u>56,512</u>	<u>53,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>59,272</u>	<u>-</u>	<u>59,272</u>	<u>56,625</u>
NET ASSETS		<u>59,272</u>	<u>-</u>	<u>59,272</u>	<u>56,625</u>
FUNDS	13				
Unrestricted funds				59,272	56,625
Restricted funds				<u>-</u>	<u>-</u>
TOTAL FUNDS				<u>59,272</u>	<u>56,625</u>

The financial statements were approved by the Board of Trustees on 20 July 2018 and were signed on its behalf by:

N. J. Hunt.
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).

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

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.

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.

HEATH CHRISTIAN BOOKSHOP

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. INVESTMENT INCOME

	2017 £	2016 £
Deposit account interest	<u>-</u>	<u>3</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 5) £	Totals £
Sale of Christian literature	<u>64,737</u>	<u>3,770</u>	<u>68,507</u>

5. SUPPORT COSTS

	Finance £	Depreciation £	Other costs £	Governance costs £	Totals £
Sale of Christian literature	<u>410</u>	<u>690</u>	<u>1,920</u>	<u>750</u>	<u>3,770</u>

Included within support costs are fees payable to the independent examiner of £750 (2016: £750) in respect of the independent examination and £200 (2016: £nil) in respect of other services.

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 or for the year ended 31 December 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2017 or for the year ended 31 December 2016.

7. STAFF COSTS

	2017 £	2016 £
Wages and salaries	23,773	22,535
Other pension costs	<u>1,188</u>	<u>1,104</u>
	<u>24,961</u>	<u>23,639</u>

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

	2017 <u>1</u>	2016 <u>1</u>
Total		

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2017 Unrestricted fund £	2017 Restricted fund £	2017 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,992	9,000	10,992
Charitable activities			
Sale of Christian literature	57,052	-	57,052
Investment income	3	-	3
Other income	<u>7,041</u>	<u>-</u>	<u>7,041</u>
Total	66,088	9,000	75,088
EXPENDITURE ON			
Charitable activities			
Sale of Christian literature	<u>57,911</u>	<u>9,000</u>	<u>66,911</u>
Total	<u>57,911</u>	<u>9,000</u>	<u>66,911</u>
NET INCOME	8,177	-	8,177
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>48,448</u>	<u>-</u>	<u>48,448</u>
TOTAL FUNDS CARRIED FORWARD	<u>56,625</u>	<u>-</u>	<u>56,625</u>

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2017 and 31 December 2017	<u>33,950</u>
DEPRECIATION	
At 1 January 2017	30,500
Charge for year	<u>690</u>
At 31 December 2017	<u>31,190</u>
NET BOOK VALUE	
At 31 December 2017	<u>2,760</u>
At 31 December 2016	<u>3,450</u>

10. STOCKS

	2017 £	2016 £
Stocks	<u>27,085</u>	<u>26,552</u>

The cost of stocks recognised as an expense by the charity during the year amounted to £37,033 (2016: £35,361).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	1,188	653
Other debtors	<u>388</u>	<u>448</u>
	<u>1,576</u>	<u>1,101</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	1,279	3,881
Taxation and social security	1,243	325
Other creditors	<u>1,792</u>	<u>1,201</u>
	<u>4,314</u>	<u>5,407</u>

13. MOVEMENT IN FUNDS

	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
Unrestricted funds			
General fund	56,625	2,647	59,272
	<u>56,625</u>	<u>2,647</u>	<u>59,272</u>
TOTAL FUNDS			
	<u>56,625</u>	<u>2,647</u>	<u>59,272</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	62,154	(59,507)	2,647
Restricted funds			
Salary fund	9,000	(9,000)	-
	<u>71,154</u>	<u>(68,507)</u>	<u>2,647</u>
TOTAL FUNDS			
	<u>71,154</u>	<u>(68,507)</u>	<u>2,647</u>

Comparatives for movement in funds

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**13. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	66,088	(57,911)	8,177
Restricted funds			
Salary fund	9,000	(9,000)	-
TOTAL FUNDS	<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 2017 the charity made contributions totalling £1,188 (2016: £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 (2016: £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 £24,961 (2016: £23,639).

16. ULTIMATE CONTROLLING PARTY

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